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IN THE MATTER OF The Public Inquiries Act being Chapter 258 of the Revised Statutes of Alberta, 1955; and

IN THE MATTER OF an Inquiry into the administration, management and financial affairs of the Lethbridge Central Feeder's Association Limited, and the general operation in respect to the participation of the members therein.

P R O C E E D I N G S

at a Hearing held before

HIS HONOUR JUDGE L. SHERMAN TURCOTTE

VOLUME X

DATE January 12, 1965

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64L21
v. 10 c.1

PROVINCE OF ALBERTA
EDMONTON
CA2AL21 - 64L21
ACCESSION v. 10 c. 1
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I N D E X

WITNESSES:

EDGAR W. HINMAN (cont'd)

Cross Examination by Mr. Moscovich 1437
Cross Examination by Mr. MacDonald 1446
Cross Examination by Mr. Prowse 1474

FERDINAND RICHARD SOMMERFELDT

Direct Examination 1495
Cross Examination by Mr. Prowse 1528

JAMES WARD BRADSTOCK

Direct Examination 1535
Cross Examination by Mr. Moscovich 1547
Cross Examination by Mr. Prowse 1547
Re-Cross Examination by Mr. Moscovich 1561

MATHEW H. HYDE

Direct Examination 1563
Cross Examination by Mr. Moscovich 1566

DON RICHARD HYDE

Direct Examination 1568

ADOLF KARL

Direct Examination 1568
Cross Examination by Mr. Moscovich 1581
Cross Examination by Mr. Prowse 1582

JOHN A. WILLIAMS

Direct Examination 1582
Cross Examination by Mr. Moscovich 1592

EXHIBITS:

F-11a...Documents of Incorporation 1403

F-11b...A Statement 1433

A-24....Document 1576

A-25....Bookkeeping document 1589

PROCEEDINGS TAKEN JANUARY 12, 1965:

MR. WEIR: Mr. Hinman, do you agree that you're still under oath?

THE WITNESS: I do.

MR. WEIR:

Q Mr. Hinman, at the close of yesterday's session I asked you a question concerning the last item that is referred to in the Hin Hat Som ledger card, and this is referring to this debit of $3,495.15, and I referred specifically to the two figures that were marked in this Journal Voucher number 520, namely, this $1,300.00 item which says, Double Triangle Ranch, and immediately underneath the figure $2,195.15, referring to Mrs. Perry.

Now, looking at all of these documents can you tell us what that figure represents?

A Yes, I can. Do you have the entry that showed the $10,000. figure on another sheet?

Q This?

A That's the one.

The invoice 2534 shows a sale of cattle which came from Peigan Ranch, in the amount of $10,074.85. I had instructed Mr. Hatch to pay a note which was originally Mr. Wansborough's, for $7,270.00, which left a credit balance to me of $2,804.85.

Now, previously a Journal entry shows $5,000.00 paid to Mrs. Perry.

Q You're referring to this cheque, which is dated November 1st, 1963, this cheque in the amount of

$5,000.00 payable by the Association to Mrs. Perry?

A Yes, and I think that was charged to me as an advance. Now, ---

THE COURT:

Q What is the date of that, Mr. Hinman?

A November 1st.

Q 1963?

A Yes, 1963.

MR. WEIR:

Q Could we just look at this for one moment? I didn't recall that it was charged in that way. I don't see it.

A It wasn't charged, at all.

Q No, I couldn't, I didn't notice any specific charge on this, although it could be in somewhere. I believe this--- oh, here it is here. This refers to---

A Purchase deposit.

Q Purchase deposits.

A That's right.

Q So, apparently it is charged to purchase deposits.

THE COURT:

Q What is the charge?

MR. WEIR: This $5,000.00 cheque, Your Honour, that we have just referred to.

THE COURT: Paid to Mrs. Perry, is charged to---

MR. WEIR: Purchase deposits. Well, at least

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the references to purchase deposits on the cheque voucher, cheque journal voucher.

THE COURT: That would suggest that, what?

THE WITNESS: Your Honour, it is pretty explicable. Mr. Hatch had purchased my calves, but didn't want delivery. The delivery was delayed about two weeks from the time that we thought they would be delivered. So this $5,000. was paid to Mrs. Perry in anticipation of that.

THE COURT:

Q Oh, on your behalf?

A That's right. When the calves were delivered, that was the amount of $10,074.85, which the calves were worth.

Now, on my instruction he also paid $7,270.00 to Top Line Farms, to pay off a note, which left a balance of $2,804.85.

Now, he credited that amount, but I truly was then still indebted to the Association for $2,195.15, and that explains that entry.

Q $2,000.00---

A 195.15.

Q 195.15.

MR. WEIR:

Q And that, when added to the $1,300.00 that we referred to, or at least that is mentioned in this Journal voucher number 520, equals the total of the debit of $3,495.15, which is debited to your account, and is

marked purchase deposit?

A Yes.

THE COURT:

Q What is the $1,300.00?

A That went to double triange ranch, so the voucher says.

Q A cheque to double triangle ranch.

A Is there a cheque---no, no, the cheque was $3,495.15, and--do we have the cheque, does it show where it went?

MR. WEIR:

Q It is just marked in as a debit to purchase deposits.

A Yes.

THE COURT:

Q It is a Journal entry.

A That's right, journal voucher.

Q But where is the cheque for $1,300.00?

A No cheque.

MR. WEIR:

Q Well, I haven't one here.

A The purchase deposit voucher simply shows $3,495.15, and underneath it is broken down, $1,300.00---

Q This is voucher number 520 you're reading.

A Let's see, that's November what?

Q 1st.

MR. MOSCOVICH: November the 1st, 1963.

MR. WEIR: 1963.

THE COURT: Well, it's in here, Double Triangle

Ranch. $1,300.00, but they must have got $1300.00, but how did they get it? It isn't charged to Hin Hat---

THE WITNESS: It doesn't show on my statement.

THE COURT:

Q Well, they must have received a cheque for $1,300.00 somewhere.

A I believe not. It doesn't show on the bank statement which we have, and it doesn't show in this statement which I was given, so I would like to know where that is.

Q Well, here is the Journal entry, March the 26th, debit Hin Hat Som $3,495.15, credit purchase deposit $3,495.15, and then explanation, Double Triange Ranch, $1.300.00, and Mrs. Perry, $2,195.15, but they don't refer to the $1,300.00 in any other manner as tohow it got into Double Triangle Ranch, or ---

A No, and we have---

Q How they received it.

A And we have no record of it.

Q You have no record of it?

A No. Well, the other thing about it is that the whole amount of that entry, we don't have credit then for the $2,895.00, so---

Q $2,800---

A I have a charge in here, $2,195.00, which is not included in the totals, but I am unable to follow the entry where finally I got the credit for $2,804.00.

MR. WEIR:

Q I thought the $2,804.85, when added to the $2,195.00 equals the $5,000.00 that we have been talking about, this $5,000.00 cheque?

A That's right, and the $5,000.00 is not charged to my account, is it?

Q No---

A We have no record---

Q No.

A No, well, that accounts for it then.

THE COURT:

Q Well, you see, the note was paid, and that left you with a credit of $2,804.00.

A That's right.

Q And that, taken away from $5,000.00, leaves $2,195.00?

A That's right.

MR. WEIR:

Q And that is what is debited to you?

A And that is what is debited to me, so that's right.

Q That at least accounts for the $2,195.15 in this Journal entry, but it doesn't explain the $1,300.00.

A Well, that---

THE COURT:

Q There is $1,300.00 missing, then, somewhere.

MR. WEIR:

Q Well, at least unexplained.

A At least we can't explain it.

Now, I did want to say, too, that I wasn't aware I had a deficit, because I didn't get credit for $3,200.00 worth of bulls which Mr. Hatch took from the ranch.

Q When was that?

A It would have been that same spring.

MR. WEIR:

Q From which ranch would this---

A From Peigan.

Q From Peigan. Could you give us the details on this? How many bulls was it, again.

A There were eight bulls, eight two year old bulls which had been on feed, and which I intended to sell, the Peigan agent wanted the bulls. Mr. Hatch saw them and decided he wanted them, so he took the eight bulls for the same price they were paying.

THE COURT:

Q And that's in the spring of ---

A '63.

MR. WEIR:

Q And that was eight at $400.00, eight at---

A Eight at $400.00. Later there were three bulls at $250.00.

THE COURT:

Q Well, you are sure you didn't get a cheque?

A Positive.

Q And how much would the eight bulls be?

A $3,200.00.

Q And three afterwards?

A For $750.00. The three were referred to yesterday in relation to a trucking bill for $20.00, you will remember. The question was, who had hauled three bulls for $20.00.

Q Yes. Well, somewhere, on some card, in the left hand corner, in heavy ink, there is reference to bulls,but where, I wouldn't know, now.

A Well, I think when we once get Mr. Williams we can probably follow these through.

Q But they are certainly not in your account, and they are not in the Hin Hat account?

A That's right.

Q And those are the only two accounts that you were connected with?

A That's right.

Q You have no account that refers to Peigan, separate?

A No.

Q Yes.

MR. WEIR:

Q Mr. Hinman, I'm showing you a certified copy, this is certified by James Warr, the registrar of the Companies branch, a certified copy of a memorandum and articules of association of Hin Hat Som Ranch Ltd. These are the

articles, and do you recognize the signature at the bottom of page 10?

A Yes, I do.

Q Whose signature is that?

A That's my own, and Mr. Hatch's.

Q You both signed this at the same time?

A I think so, at the same time.

Q This is dated April the 10th, 1963. I don't appear to have the memorandum here at the moment. This is the certificate of incorporation of Hin Hat Som Ranch Ltd, and this is dated April the 19th, 1963, indicating that the company was incorporated on that date.

A Yes, that's right.

THE COURT: Have you any allotments, or not?

MR. WEIR:

Q Registered office, this is dated April the 19th, 1963, register date for Hin Hat Som Ranch Ltd, at 1305 - 20th Street South, Lethbridge, and it is signed by---

A E. D. Battrum.

Q Battrum, and he is marked as Secretary, or---

A For the Secretary.

Q Oh, for the Secretary. I see.

And here is a letter from Ives, it looks like, Ives, Barrister and Solicitor, and--- No, I beg your pardon, I though this had---oh, yes, he is enclosing the notice of the registered office,

in duplicate.

A Yes.

Q This letter is dated August the 12th, 1964, and here is the notice of the registered office referred to in that letter, indicating that the registered office of Hin Hat Som Ranch ltd, is not 324 - 7th Street South, Lethbridge.

THE COURT: 324 - 7th Street---

MR. WEIR: 7th Street South, Lethbridge.

THE WITNESS: No, that is Mr. Ives office.

MR. MOSCOVICH: That is the office of Mr. Ives.

MR. WEIR: Thank you.

Q Now, we have an annual report which, this is of Hin Hat Som Ranch, and this is registered July the 28th, 1964, and the people indicated here as directors are who?

A E. W. Hinman, S. W. Hatch, and F. R. Sommerfeldt.

Q What is Mr. Hatch's address reported on this document?

A 3606 Gayway, Riverside, California.

Q And this is attached to it, as well, indicates the list of the persons holding shares in Hin Hat Som Ranch, and would you please read the details on that list?

A Hinman, 100, Hatch, 100, Sommerfeldt, 100.

THE COURT: What is the par value?

MR. WEIR: It---

THE WITNESS: I'm not sure whether they have a par value.

MR. WEIR: Doesn't say there. Ordinary shares,

in the first part of it, ordinary shares of $1.00 each, 1,000 ordinary shares, $1,00, each. This is in the front of the annual report, Your Honour.

Q Now, although these, although the company was apparently incorporated on April the 19th, 1963, I noticed in the office of the Registrar of Companies, a letter dated November the 6th, 1962, from Mr. E. D. Battrum, in which he is reserving the name of Hin Hatch Som Ranch Ltd, spelled out. There apparently is other correspondence mentioned in this particular letter that I am showing to you, Mr. Hinman, and in this particular letter he says, please accept my thanks for your reply, advising that two of the above names are open for use. We have decided to use the name, Hin Hat Som Limited.

This letter to Mr. Warr is signed I believe, by Mr. Battrum, at least it looks---

A That's right.

Q It is Mr. Battrum's name, anyway in a written form. Your recognize this---

A Yes.

Q As being his signature?

Now, Mr. Hinman, I presume that there would be lots of discussions.

THE COURT: Are you marking those?

MR. WEIR: Yes, I'd like to have them all marked.

THE COURT: All marked as, under F.

THE CLERK OF THE COURT: 18.

THE COURT: F---no, let me have a look, has Mr. Hinman a file number? Just let me have a look---

THE CLERK OF THE COURT: Oh, F-10 and 11, Your Worship.

THE COURT: Well, we will mark them as F-11 A. F-11 being Hin Hat Som, the file that was put in by Mr. Peterson, and this one being F-11A, right.

EXHIBIT NO. F-11a
Documents of Incorporation.

MR. WEIR:

Q Now, Mr. Hinman, I presume that you had a number of discussions with Mr. Hatch regarding the formation of Hin Hat Som Ranches, and I presume that you discussed the financial contribution that Mr. Hatch would have to make in order to come in to this venture, as well as the reasons for incorporation?

A That's right.

Q Now, perhaps we could pin it down to specific meetings in order tohave the complete story.

When would you have first discussed this matter with Mr. Hatch?

A It would have been early in October, or near the end of September, in 1962.

Q In 1962. Well, what would you have said to Mr., what do you recall of the conversations that you had with

Mr. Hatch on this occasion?

A I told Mr. Hatch that I was looking for someone who would purchase Mrs. Leighton's interests, who could fill three requirements. First, that he could take over the management, which Mr. Leighton had done. Second, that he could contribute some cash to carry the ranch through the winter, which might have been as much as $3,000.00, and fourth, that he could arrange some credits, or get some cattle on shares, or something, to make the ranch stocked well enough to be profitable.

Q Now, let's go over these. This carrying the operating costs, did you say for the winter?

A Just for the winter, yes.

Q Yes. Now, would this be repaid, ----

A Yes.

Q A portion of it, by You and Mr. Sommerfeldt?

A Any advances that were made were to be repaid with interest, by the ranch, which would have meant three of us, of course.

Q The proposed company would repay this?

A That's right, or the partnership, if it stayed that long.

Q Yes. Now, what about the cattle that you mentioned, stocking the, this ranch?

A Well, our estimate was that we need 500 cattle to make this a profitable operation. We had about 210 cows at the time, which Mr. Leighton and I had sent up there,

and that was the figure that we talked to Mr. Hatch about---

Q You mentioned this specific figure?

A That's right, that we would need 300, either on a lease, or someway, to stock the ranch and bring revenue.

Q Yes, and if they were all purchased by this new partner coming in, these 500, this would be repaid by the company or partnership, to---

A That's right. It would have been 300, if we put ours in too.

Q Yes. And what, then, would be the specific outlay, the specific outlay by this new person coming in?
It would be the---

A He would have paid---

Q He would have paid Mrs. Leighton, did you say?

A That's right. He would have paid Mrs. Leighton 1/3 of the outlay up to that time.

Q Now, were any figures suggested to Mr. Hatch, at that time, as being the amount that would have to be to Mrs. Leighton?

A I think at that time I could have given him only an approximate figure, but I did supply him with a complete statement from the inception of the ranch until October 15th, 1962.

Q What figure was suggested as an approximate figure, at that time?

A 27---

THE COURT: Well, he says he didn't.

MR. WEIR:

Q Oh, I thought you were, didn't you say you suggested a figure then? You didn't?

A I said I may have suggested some tentative figure.

Q Oh, I see.

A I don't recall any figure I gave.

THE COURT:

Q But you did get out a statement?

A I did, I gave him a---

Q And what was the complete statement?

A It's something over $27,000.00.

Q So that Mr. Hatch would have to contribute $9,000.00?

A No, that was Mrs. Leighton's share.

MR. MOSCOVICH: That was Mrs. Leighton's share.

THE COURT:

Q Oh, Mrs. Leighton's share, oh, I'm sorry. So he would have to contribute all of it?

MR. WEIR: All of the $27,000.00?

THE WITNESS: That's right.

MR. WEIR:

Q Now, in this later discussion about this specific $27,000.00 figure, were you in on discussions as to how this was going to be paid?

A Yes, I was, with Mrs. Leighton and Mr. Hatch. She required $4,000.00 a year, plus interest, and she would be satis-

fied.

Q And this would be 6% interest, would it be?

A That's right.

Q Approximately how many discussions did you have with Mr. Hatch to finalize the matter of the financial contribution?

A Well, the next time we got together we went up to the ranch. He looked it over very carefully, and thought about it for a while, talked to Mrs. Leighton, to be sure she would be satisfied, and he let me know that she was satisfied, so I came down and we talked together again, and I couldn't give you the date, and it was agreed that on the 15th he would take over the management of the ranch. Now, at that time he was to have paid her $4,000.00.

THE COURT:

Q That's October---

A The 15th.

Q 1962?

A 1962.

MR. WEIR:

Q Now, you have mentioned that the later figure that Mr. Hatch was supposed to pay Mrs. Leighton was $27,000. This was the Leighton interest in what we now know as Hin Hat Som Ranch?

A That's right.

Q Now, would your interest, financial contribution in this unit, this business unit, be the same, approximately $27,000.00?

A Yes.

Q In other words, would each one of you have approximately, the three of you, Leighton, you, and Mr. Sommerfeldt, have approximately the contribution, each, in this venture, of $27,000.00?

A Yes, except Mr.Sommerfeldt did owe Mr. Leighton and me some on his share too.

Q I see.

A But the contribution was to be 1/3 each,yes.

Q I see. Well, what is the breakdown of this $27,000.00 contribution of each one of you? How was it represented?

A Well, Mr. Leighton and I simply put the money up for it, that was, we didn't put it up with the intention that here is an amount to do it. What happened was, we went up and began to operate, and we simply carried the expenses, which were very high, because we were getting the irrigation system ready to work, getting the land cleared again, making fences, all the things, and that happened to be the sum which, to that date, had been spent.

Q So, these are operating expenses. Now, what portion---

A Now, I'd like to differentiate between operating and improvements.

THE COURT: Capital?

THE WITNESS: Yes, quite a lot of it was capital expense.

THE COURT: Yes.

MR. WEIR:

Q Well, could you give us a breakdown, just a rough breakdown of the assets in what we now know is Hin Hat Som, at the time that Mr. Hatch is coming in?

A Well, it would have to be a rough breakdown, but I would guess that perhaps half of all the expenses was in the nature of capital improvements.

Q About half would be in---

A Yes.

THE COURT:

Q And what were those capital improvements? You say irrigation?

A There was some equipment, there was getting the irrigation scheme back in place, there was fencing, there was building of tool sheds, and a, sort of a bunk house which we had there, hay corrals, the fences up on the lease.

Q Oh, there's a lease in addition----

A It's all a lease.

Q Oh, it's all a lease?

A But up on the grass part of the lease.

Q How big an affair is this?

A Well, it's about 19,000 acres.

Q In the mountains?

A In the mountains.

Q Yes.

MR. WEIR:

Q Who owns the lease, or who has the lease?

A Mr. Sommerfeldt.

Q This is his lease, solely, is it?

THE COURT:

Q Well, do you have an arrangement with him, is there a lease, sub-lease?

A No, there's not a sub-lease. The agreement was that if we ever got the details all settled everything would be transferred to a company.

Q I see, all right.

MR. WEIR:

Q You mentioned previously your cattle associations with Mr. Leighton. Now, did you discuss, now this is with Mr. Leighton, apart from what we now know is Hin Hat Som Ranch.

A That's right.

Q Was there any discussions with him about incorporating the ventures that you had, these cattle ventures, with him?

A No.

Q Now, what we know is Hin Hat Som Ranch, before Mr. Hatch

was coming into it, or discussions with Mr. Hatch about coming in, there was a company, or was there a company?

A There wasn't a company.

Q There wasn't a company. Well, what reasons were advanced to Mr. Hatch, or by Mr. Hatch to you, concerning the reasons why Hin Hat Som Ranch Ltd should be incorporated?

A Mr. Weir, I had worked with Mr. Leighton since 1939, and had complete confidence because of that, and because I was busy with the Government, which has to have my first time, I just didn't feel like going into a venture with two new people without the protection of a limited company, and it was my insistance that that was the way we would do it eventually, it would have to be a limited company.

Q But Mr. Sommerfeldt was in on this business venture before, though, wasn't he?

A Yes. If you want a little more detail, Mr. Leighton and I had sold a ranch which we had, we had a lease on the Peigan Indian Reserve which ran out in 5 years, Mr. Sommerfeldt came to us and told us about this lease on which he had made a deposit which was good for 20 years, and we were just protecting ourselves if we had to move the cattle completely, and so we just formed a very loose partnership with Mr. Sommerfeldt whom we had also known for many years, and proceeded on that basis.

was coming in ; it, or dispossessing with Mr. Eaton about
comfort in, there was a company, [illegible] pany?
[illegible] wasn't a company.

There wasn't a company. Well, what reasons were [illegible]mmed
to Mr. Eaton, or by Mr. Eaton [illegible] you. Concerning [illegible]
reasons why Hin Eat Sum Ranch Ltd [illegible] [illegible] rately
[illegible] Well, I had worked with Mr. Leigh on [illegible] and
[illegible] complete confidence because of that, [illegible] I
was busy [illegible] [illegible] business. [illegible] time, I just didn't feel like [illegible] entura
[illegible] two new people without the [illegible]ection [illegible] [illegible]ted
company, [illegible] [illegible] instance that that [illegible]
way we would do it [illegible] work [illegible]
[illegible] company.

[illegible] Commercial was in [illegible] a business [illegible]
[illegible] though, wasn't in [illegible]

[illegible] If you want a little more [illegible], Mr [illegible]
[illegible] I had sold a ranch which we had, [illegible] a lease on
[illegible] Indian Reserve which ran out [illegible] years,
Mr. Commercial came to me and [illegible] [illegible]d us ab[illegible] [illegible]
[illegible] ch he had made a deposit [illegible] [illegible]ich was [illegible]
[illegible] we were just protect[illegible] [illegible] unsaleable if we had
[illegible] the cattle completely, and so we [illegible] formed
a very loose partnership with Mr. Commercial when we
had also known for many years, and proceed[illegible] or that
basis.

Q And when you first started your discussions with Mr. Hatch there was no question, at all, that this was going to be a limited company?

A That's right.

Q Now, I recall someone mentioning to me about you being in the association, Lethbridge Central Feeders Association, back in the past, before this, on a cattle venture, and I don't know what the card name is, perhaps you can help me out on this?

A I can't tell you what the card name is because there were actually no entries.

Q I see.

A It was in 1952, Mr. Sieger Stockie, Mr. Pater Kirkwald, and I decided to feed out cattle and some purchased cattle, at Taber. Neither of these gentlemen had ever done any feeding, and we wanted the advantage of someone who could tell when the cattle were fat, and could give some direction to feeding. At that time we knew Mr. Aspen very well, we knew Mr. Harker very well,and---

Q Aspen, you're referring to the former supervisor of the Lethbridge Central Feeders Association?

A That's right, and we joined the Association for that purpose, that they would give us some supervision, and do the selling for us.

Q Was there any---

A There was no money ever borrowed, or no cattle actually

sold through them.

THE COURT:

Q Were there any cattle sold through the association?

A No, there weren't. That was the year of hoof and mouth disease, and we were all trapped, you will recall, in the spring, and we finally made private sales of the cattle.

Q Yes.

MR. WEIR:

Q Did the 3 of you pay a joint membership fee at this time?

A We did.

Q Did you incorporate this particular syndicate, the three of you?

A No, we didn't.

Q Yet, you indicated these two other individuals were very inexperienced?

A In the feeding business.

Q Yes.

A We had been partners in many, Mr. Stockie and I still have a ranch in Saskatchewan.

Q I see.

A Mr. Kirkwall has helped us get the thing established, so we have been in business a long time.

Q When you first brought up this matter of what we now know is Hin Hat Som Ranch, to Mr. Hatch, did you invite him

to join at that time?

A No, I simply told him that I was looking for a partner, because I knew he would know many of the people, and he had expressed a very keen interest, himself, and it looked all right to me.

Q And you later discussed this with Mr. Sommerfeldt?

A I did, and with Mrs. Leighton.

Q And the three of you felt that Mr. Hatch would be a good choice?

A We did.

Q Did you hear or read about the testimony that has already been given by Don Nilsson of his one-half interest, at least at one time, in Mr. Hatch's share in Hin Hat Som Ranch?

A Yes. After Mr. Hatch had decided to go in, the next trip we made to Cranbrook he told me that Mr. Nilsson would be his partner.

Q Did Mr. Hatch mention to you other ventures, business ventures that he was involved in with Mr. Nilsson?

A Yes. Generally, he informed me that Mr. Nilsson was his partner in other ventures. He didn't mention any particular ones.

Q Well, what did you say when you learned of this?

A Well, I asked him if Mr. Nilsson was to be mentioned in any of the agreements, and he said, no, he would hold them, but he just wanted me to know.

Q So he was to be a silent partner of Mr.Hatch's, in Mr. Hatch's share in the company?

A That's right.

Q At least silent as far as other people were concerned, but the three of you were to know about it.

Do you know, of your own knowledge, if Mr. Sommerfeldt was advised of this?

A No, I don't.

Q When did you become aware of the financial difficulties of the Lethbridge Central Feeders Association?

A March the 26th, 1963.

Q Are you referring to the conversation you had with, we heard testimony yesterday from Mr. Brandley---

A That's right.

Q Concerning a conversation with you over the telephone?

A That's right.

Q This was the first that you had heard of it?

A That's the first I had heard of it.

MR. MOSCOVICH: What date did he say?

MR. WEIR: March the 26th. This is 1964.

MR. MOSCOVICH: '64.

THE WITNESS: '64, yes, I'm sorry.

MR. MOSCOVICH: Yes, you said 1963.

THE WITNESS: I'm sorry, 1964.

MR. WEIR:

Q I gather that you made other inquiries about the trouble

that the feeder association was apparently in at that time?

A Yes, I did.

Q Would you tell us about the conference that was referred to yesterday by Mr. Brandley, that took place on Mr. Brandley's farm, when you came down from Edmonton, I presume, and I believe he referred to the fact that you, Mr. Hatch, and Mr. MacLean, I believe, the bank, were present at Mr. Brandley's house---

A Yes.

Q Is this correct?

A Yes. Mr. Hatch and I, Mr. Brandley, present part of this time, discussed it. Mr. Hatch told me he was sorry that I would be implicated because of these purchases, but he did feel like, at that time, and I think that's why we wanted Mr. MacLean up, that it would be possible to still work the feeders out of this.

None of us knew exactly how bad it was, but we did realize that once before the feeders had been in a bad position, and by co-operation, had worked of it.

Q Yes.

A And that was his concern at that time. I wanted Mr. MacLean to come up too because of the cattle that were there, and I was happy if he knew was going on

[illegible] the Foster association was apparently in an [illegible]

Would you tell us about the conference that was referred to yesterday by Mr. Brandley, that took place on Brandley's farm, when you came down from upcount [illegible] presume, and I believe he referred to the last [illegible] you, Mr. Hatch, and Mr. McLean. I believe [illegible] were present at Mr. Brandley's house---

Yes.

Is this correct?

Yes. Hatch and I, Mr. Brandley, present on [illegible] time, discuss [illegible] Mr. Hatch told [illegible] [illegible] that I would be implicated because [illegible] bases, but he did feel like, on his [illegible] that's why we wanted Mr. McLean [illegible] would be possible to still work the fields [illegible]

None of us knew exactly how bad [illegible], but we did realize that once before the [illegible] had been in a bad position, and he [illegible] had worked of it.

on that ranch.

Q Well, this explains the reason for the meeting, now, what was discussed at this particular meeting? Pretty well the things that you have just outlined?

A That's right, in a very general way. No details were given, except, I became aware at that time that in a non-feeder account quite a bit of money had gone to Hin Hat Som Ranch.

Q Now, were you informed on this occasion, or previously, about certain irregularities?

A Yes, Mr. Hatch told us at that time that he had been covering up certain items by transfers in accounts.

Q Now, we have referred to, or at least we have had reference to another meeting that took place, and I understand that this meeting took place in an automobile and you and Mr. Williams and Mr. Hatch were in this automobile, and this was immediately prior to the meeting where Mr. Hatch was to deliver a speech, prepared speech to the membership of the association.

Now, would you tell us what conversations you recall that took place in this car at this time?

A Well, my memory isn't too distinct about it. I simply drove up in front of the Court House. The meeting was here, in the church just over here, and there were cars everywhere. While I still sat in the car Mr. Hatch

drove up right beside me, and got out and got in the car, and within a minute, I guess, Mr. Williams came along, and whether we told him, or what happened, he got in the car too, and I think there were only two or three jists of the conversation.

My concern was with the benefit that this had been to the people in a great many ways. Mr. Hatch mentioned that he had a prepared statement that he was going to make. He had it with him in the car, although he didn't read it to us.

Q Yes.

A And in a very few minutes the time to go came, and we just got out and went to the meeting.

Q Were you given a copy of that?

A No, I wasn't.

Q You weren't given a copy?

A No.

Q Did you see Mr. Williams being presented with a copy of this---

A As I recall, Mr. Williams had this in his hand. Now, whether he was given a copy to keep or not, I don't know.

Q Now, there is reference to another meeting that took place in July, and I understand it was early July, and this was, I recall, at a general meeting of the membership, and you attended this meeting, I believe, along with

the Honourable Harry Strome, Minister of Agriculture.

Now, in going through all of the documents of the Association I find no reference, whatsoever, to Mr. Strome, and I'm wondering why he was there. Was this strictly representing the Government, or why? Have you any explanation?

A Mr. Strome and I had been to, I believe, a Master Farm Award Program in Magrath. I was aware that the Board were meeting, Mr. Strome was the Minister of Agriculture, the Government had talked about the necessity, if possible, of keeping the Association going, so we simply drove in to the Central Feeders, and the Board was meeting, not the general membership.

Q I see, yes.

A And we listened as they discussed this, and as I remember, my conversation at the time was that if it were possible to save the Feeders the Board had some responsibility to go out to the members and try to encourage them to stay with it.

Q Yes.

A At that time there were various proposals of how this loss could be compared, and I think there were already discussions with the bank going on.

Q So then, Mr. Strome was there strictly to represent the Government, and to try to assist the Feeders Association?

A Yes, he had no other purpose in being there.

Q. And you were there at that particular meeting, to try to assist the Board, and the difficulties that the Board was in---

A That's right.

Q In view of the fact that the feeders Association seemed to have a financial problem on their hands?

A They did.

Q And there were other meetings, along this same line, with the Government attempting to---

A No. No, I don't think so. The only other thing that was done, I attended a meeting with the bank in Calgary with some of the Directors, at one time.

Q And what was the reason for this particular meeting, Mr. Hinman?

A The Board had been discussing with the bank, andso had I, any terms on which the bank felt that this association could carry on, and we were simply up there to discuss this a little more.

Q Well, in view ofthe information that you must have acquired in your investigations of the difficulties of the association, and you mentioned that even this first meeting on March the 26th, Mr. Hatch told you of some of the irregularities, but I presume that you discovered other irregularities since that time?

A That's right.

Q I'm wondering, when I see this particular document, which

is the annual report of Hin Hat Som Ranch, it doesn't refer to it being limited on this particular document, it just Hin Hat Som Ranch, this is to the Companies Branch, registered July the 20th, 1964, why Mr. Hatch is still recorded as a director. I am wondering, were there any discussions concerning the continuation of Hin Hat Som Ranch with the same individuals in the company?

A Yes, there were. Mr. Hatch had still declared that he would complete his arrangement with Mrs. Leighton. We had discussed the means whereby we could pay off this indebtedness, either through sale of the ranch, or through operating the ranch, and Mr. Hatch was so willing to accept any responsibilities which were his, and we he was a man of some substances, and that the only thing we could do was to proceed until we were paid out.

Q I see.

THE COURT: He still is a man of substance---

MR. MOSCOVICH: I don't think there's any evidence of that, Your Honour. I don't know of any.

THE COURT: Well, I do.

MR. MOSCOVICH: Well, there's no evidence of it.

THE COURT: I mentioned the transfer, Mr. Moscovich, of $120,000.00, of which he has a third interest. I'm going on that---

In the annual report of Hin Dat Sum Ranch [illegible]
refer to it being limited on this [illegible]
it just Hin Hat Sum Ranch, this is to [illegible]
Ranch, registered July the 20th, 1968, [illegible]
still recorded as a director. I am worried [illegible]
any disquietude concerning the continuat[illegible]
Sum Ranch with the same individuals in [illegible]
Yes, there was Mr. Hatch (a) still deals [illegible]
would complete his arrangement with Mr. [illegible]
[illegible] means whereby we could [illegible]
either through sale of the [illegible]
[illegible] operating the ranch, and Mr. [illegible]
[illegible]ing to accept any reorganisation [illegible]
we he was a man of some substance [illegible]
this, we could do was to proceed [illegible]

THE COURT: We still is a man of [illegible]
I don't think there's [illegible]
Mr. Tour Forum, I don't know [illegible]
Well, I do. [illegible]
[illegible] no evidence of it. [illegible]
[illegible]
of [illegible] Mr. Sum in this [illegible]

MR. MOSCOVICH: Oh, I see.

THE COURT: Let's leave it at that.

MR. WEIR:

Q So there were no discussions with Mr. Hatch that you were involved in where Mr. Hatch was told that he should resign from the membership, or at least resign from Hin Hat Som Ranch Limited? S

A No.

Q I'm looking at article number 56, of your articules of incorporation, and it says that each annual general meeting of the company, the whole of the directors shall retire from office and the company shall elect directors to fill the offices vacated, and then it says, a retiring director shall be eligible for re-election.

Now, would I be correct in assuming that this particular article has been carried out, and that the three of you resigned and you had a new election this year, or at least in 1964?

A We did not. You realize that within the year these things have happened, we have never been able to get Mr. Hatch at a general meeting since that day.

Q But there have been those steps, formal steps taken, to have Mr. Hatch resign---

A No, there has not.

Q There has been no requests for him to resign?

A No.

MR. MOSSOVICH: Oh, I see.

THE COURT: Let's leave it at that.

Q. There were no discussions with Mr. Hatch when you involved in where Mr. Hatch was told that he should from the membership, or at least resign from his net Gas Ranch Limited?

A. No.

I'm looking at article number 15, of your articles of incorporation, and it says that each annual general meeting of the company, the whole of the directors who retire from office and the company shall elect directors to fill the offices vacated, and then it says, retiring director shall be eligible for re-election.

Now, would I be correct assuming that this particular article has been carried in, and that the terms of you resigned and you had a new election this year, or at least in 1969?

We did not. You realize that within the year these are happened, we have never been able to get a general meeting since that day.

Can stop?

Q How do you feel now, having Mr. Hatch as a 1/3 shareholder in this company in which you have a one'third interest, this day?

A Well, naturally I'd prefer somebody else who was here and able to give us some help.

Q Is that the only reason?

A Do I need to answer that question?

Q Well, not if you don't want to.

What does Hin Hat Som Ranch Ltd own? What assets does this company own?

A Because Mr. Hatch did not complete his agreement with Mrs. Leighton, none of the original assets, such as the lease, or the brands, or the cattle, have ever been transferred. Now, it would be my opinion that Hin Hat Som owns all the assets which have been created by any money advanced to Hin Hat Som.

Q What formal assets have been transferred? None?

A None.

Q So Hin Hat Som Ranch Limited, at the present time, doesn't own any assets?

A No formal transfer has been made.

THE COURT: I didn't quite get the gist of your previous answer.

Q Now, let's keep the limited company and your partnership separate.

A Right.

How do you feel now, having Mr. Hatch as a 1/3 shareholder in this company in which you have a one-third interest, this day?

Well, naturally I'd prefer somebody else who is more able to give us some help.

Is that the only reason?

Do I need to answer that question?

Well, not if you don't want to.

What does Hin Net Son own?

What assets does this company own?

Because Mr. Hatch did not complete his agreement, Teighton, none of the original assets, and as the lease, or the brands, or the cattle, have been transferred. Now, it would be my opinion hin Son owns all the assets which have been or not any money advanced to Hin Net Son.

What formal assets have been transferred?

None.

Do Hin Net Son Ranch Limited, at the present time, own any assets?

Q Now, are you saying that Hin Hat Som Ltd, as far as you know, has no assets, whatever?

A No formal assets have ever been transferred toHin Hat Som Ranch.

Q And they have none?

A They have none.

Q And, it isn't the proper use of the word, but I was going to say, a dummy corporation, but that isn't the right word touse, but it is just there, sort of hanging in the air, with nothing, at all?

A That's right.

Q No money put in?

A No money put in.

Q You haven't even contributed your, what is it---

MR. WEIR: 100---

MR. MOSCOVICH; $100.00.

THE COURT:

Q $100.00?

A No.

Q And Mr.Hatch hasn't contributed $100.00?

A Well, I contributed mine by paying for the incorporation of the company, and that was the understanding.

Q Oh, I see. All right.

MR. WEIR:

Q Well, in looking at the ledger card that we went over yesterday, Mr. Hinman, this is the ledger card of Hin

Does you saying that Mis has been lied, as far as you know, has no assets, whatsoever?

No formal assets have ever been transferred into the Ranch.

And they have'nones?

They have none.

And, it isn't the proper use of the word, as you are trying to say, a dummy corporation, but right word tones, but it is just there, nothing in the air, with nothing, at all?

That's right.

No money put in?

No money put in.

You haven't even contributed your, your [illegible] [illegible].

MR. MOSKOVITCH: $100.00.

I GUESS:

He haven's contributed $ 10.00?

[illegible] by paying for the tax & [illegible] and the [illegible] [illegible] Corporation.

Hat Som Ranches, as it appeared in the ledger card there is a debit balance outstanding of $43,944.45.

Now, would it be correct to assume that this ledger card in that name is the debt of Hin Hat Som Ranch Ltd, that has no assets?

A I believe that's right.

Q This is your understanding?

A Yes.

THE COURT

Q Well, wouldn't it also be the debt of Hin Hat Som Ranches, of which you and Mr. Hatch and Mr. Sommerfeldt are partners?

A Hin Hat Som Ranches Ltd?

Q No, no. No, I said to keep the two separate.

A Yes.

Q You said that it is the debt of the limited company, but would you disagree that it is also the debt of the partnership, Mr. Sommerfeldt, Mr. Hatch, and yourself?

A Yesterday you said, Your Honour, you weren't trying to decide a point of law. Morally, this is a debt of the three of us, I accept that fully.

Q Oh, all right.

MR. WEIR:

Q Has there been any breakdown of this account among the three of you, you, Mr. Sommerfeldt, and Mr. Hatch, concerning who might be personally responsible for certain

portions of this particular $43,944.45?

A Mr. Hatch, Mr. Sommerfeldt, and I, have never been able to get together since this thing happened. At a meeting with the Directors of the Association Mr. Hatch did acknowledge that $4,000.00 of it was his responsibility.

Q Yes.

A Yesterday, you will recall, I think we established that perhaps some more of it is that way.

Q Well, I won't go over the whole account again, but this one cheque that we discussed, remember this cheque for $16,975.00, this was the cheque, in the written portion of the cheque,not the figure portion, but in the written portion, which omitted the $75.00. You remember this cheque.

Now, this cheque, as I recall your testimony yesterday, was used to pay off a note at an account in Cranbrook?

A Which one are you referring to?

Q I'm referring to this particular cheque which was payable to Hin Hat Som Ranches, Ltd.

A That's right.

Q You recall this one?

A Yes.

Q Holding Pen cheque number 1705, in this account of $16,900.00, and either 75¢ or $75.00?

A That's correct.

Q. Then of this particular $43, at 49?

Mr. Hatch, Mr. Sommerfeldt, and I, have never [illegible] a lp to get together since this thing happened. At a meeting with the Directors of the Association Mr. Hatch acknowledge that $4,000.00 of it was his responsibility, Yes.

A. [illegible] today, you will recall, I think we established that perhaps some more of it is that way.

Q. Well, I won't go over the whole account again, but this one cheque that we discussed, remember that cheque for $14,975.00, this was the cheque, in the written portion of the cheque, not the figure portion, but the written portion, which omitted the $75.00. You remember this cheque.

Now, this cheque, -- I recall your testimony yesterday, we used to pay off auto [illegible] court in Cranbrook?

Q. Are you certain, too?

[illegible] to this particular cheque which was [illegible] Sam Manolas, Ltd.

Q But $16,975.00 is debited to this ledger card, Hin Hat Som Ltd. Now, I believe you said that this particular cheque was used to pay off, if my memory is correct, a note a Cranbrook. Is this---

A That was a notation Mr. Hatch gave me, and I think it does show as such.

Q Now, who was responsible, again, for this note in Cranbrook?

A Mr. Hatch and I had signed a guarantee for that money.

Q You had signed a gurantee for this money. Who was borrowing the money?

A The ranch.

Q The ranch. When would this note have been originally signed?

A I think it would have been in the spring of 1963.

Q In the spring of 1963.

A In fact, I'm quite sure it was the spring of 1963, because it was at that time that he brought the guarantees down from Cranbrook.

Q Would it have been before the formal incorporation of Hin Hat Som Ranch Ltd?

A No, I don't think so.

Q It would have been after this?

A After.

Q But did you formally have Hin Hat Som Ranch Ltd incorporated in British Columbia?

A We did not.

$975.00 is debited to this Ledger card. Did Det Ltd. Now, I believe you said that a cash part of cheque was used to pay off, if my memory is correct, a note a Greenbrook. Is this---

That was a notation Mr. Hatch gave me, and it does show as such.

Q Now, who was responsible, again, for this note ..... Ltd?

A Mr. Hatch and I had signed a guarantee

Q You had signed a guarantee for Greenbrook borrowing the money?

A The bank.

Q The bank. When would this note have been signed?

A I think it would have been in the spring

Q In the spring of 1963.

A The fact, I'm quite sure it was the spring ... 1963 it was at that time that he bought ... from Greenbrook.

Would it have been before the formal incorporation of Det Ltd, or Hatch Ltd?

A I don't think so.

Q Well, who, you and Mr. Hatch were guaranteeing this note?

A That's right.

Q Well, who was, you mean you both signed it, or somebody else was signing it?

A No, we signed the guarantee, I think Mr. Hatch, I'm not sure whether Mr. Sommerfeldt signed it or not, Mr. Hatch did anyway, the note.

Q Well, was this a guarantee for some limited company?

A It was.

Q For what limited company?

A Hin Hat Som Ranch.

Q And this was signed in British Columbia?

A I think it was signed here, as I recall, about April 30th, the same time I was going to join the association. As I recall, we did sign it here, it was a notarized thing.

Q So Hin Hat Som Ranch Ltd signed this note, and you and Mr. Hatch co-signed it?

A I think that---

Q Or guaranteed it?

A Would prove to be correct, yes.

Q Now, I'm going to show you some documents that we have already discussed with Mr. Brandley.

This first one is a bill of sale, which is dated October 3rd, 1963, between you and Mr. Brandley, and the consideration of this document is

indicated at $26,700.00.

A Yes.

Q Is this your signature on this particular document? This is a photocopy, as you will recognize.

A Yes.

Q This is your signature?

A Yes.

Q Now, would you tell us your understanding of this particular document?

A Very briefly, it was this: In the spring, when the advances of which Mr. Brandley spoke, were given, he gave me, well, it was when the last was given, he gave me a lien note, and I left it with him and asked him to have it registered.

THE COURT:

Q What do you mean by lien note, Mr.---

A well---

Q Under the Act there is a chattel mortgage for crop advances.

A That's right.

Q Is that what you had?

A No, no. We used a lien note form which we thought created a lien on the crops.

Q It wouldn't.

A It wouldn't, as we discovered later. Mr. Brandley failed to have it registered, he was going to take it to a

lawyer. In the fall we discovered that that wouldn't have been proper, so we asked Mr. C. S. Brandley to prepare something which would be proper. He suggested this bill of sale as the proper way to do it.

Q The time having run out, then, for giving the proper chattel mortgage within the, what is the Act?

MR. MOSCOVICH: Threshers---

THE COURT: Not threshers, but the---

MR. WEIR: Crop lien advances act?

THE COURT: Pardon?

MR. wEIR: Crop lien advances act.

THE COURT: Crop Lien Advances Act.

Q Your time had run out by then.

A That's probably right.

Q And would you give us a breakdown ofthe consideration?

A As nearly as I can. As you know, I had advanced three $5,000.00 cheques. I gave him another $2,000.00 cheque. I think I gave him $200.00 cash. I supplied him with a Caterpillar tractor which they had to have, which was to be valued at $3,500.00, and I think I paid a few---

MR. WEIR:

Q You say you supplied him, you transferred this---

A That's right.

Q You transferred this to him?

A Yes. When you say transferred, I delivered it to him. I gave him the Caterpillar.

Q You gave it to him ?

lawyer. In the fall we discovered that wouldn't have been proper, so we asked Mr. C. M. Bradley to prepare something which would be proper. He suggested this bill of sale as the proper way to do it. The time having run out, then, for giving the prior chattel mortgage within the, what is the Act?

MR. MOSCOVICH: Threshers---

THE COURT: Not threshers, but the

MR. WEIR: Crop lien advances act?

THE COURT: Pardon?

MR. WEIR: Crop lien advances act.

THE COURT: Crop Lien Advances Act.

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ed him, you transferred this---

A Which was in my possession.

Q I see. And then, I believe Mr. Brandley has referred to some payments that you made on some judgments on his behalf at this time, is this correct?

A Yes. Mr. Brandley thought that I would have to assume payment for these judgments which had already been secured, that was added in here. Mr. Brandley was to see if he could get the advances on the feed which had been fed to Central Feeders stock, and that's how those were paid.

Q Yes.

A Would have reduced his indebtedness to me.

Q Now, would you examine this memorandum? This is a certified copy of the memorandum of association of Two Arrow Ranches. You acknowledge that this is your signature on the back?

A Yes, I do.

Q Yes. And you acknowledge that these return of shares allotted by Two Arrow Ranches that were read yesterday, and that you see before you here today, are correct?

A I do.

Q I notice the ones by the three Brandleys that are mentioned were not paid. This is correct, is it?

A That is correct.

Q And all of the shares referred to by the three Hinman names here, these have all been paid?

with it was in my possession.

Q. And then, I believe Mr. Brandley was referred to some payments that you made on some Jugments on his behalf at this time, is this correct?

A. Yes. Mr. Brandley thought that I would have to secure payment for these Judgments which had already been secured, that was added in here. Mr. Brandley to see if he could get the advances on [illegible] feed which had been fed to Central Feeders stock. [illegible] these were paid.

A. Would have reduced his indebtedness to us.

Q. Now, would you examine this memo[illegible] admit? This is certified copy of the memorandum or resolution [illegible] Arrow Ranches. You acknowledge that this is your signature on the back?

A. Yes, I do.

Q. Yes. And you acknowledge they then returns of stress [illegible] by Two Arrow Ranches that were read yesterday, [illegible] see before you here today, is correct?

A They have been paid.

THE COURT:

Q Were share certificates issued?

A Yes.

Q Not the Brandley ones?

A They are issued, but we are holding them.

Q You are still holding them.

MR. WEIR:

Q Mr. Hinman, did you have any other conferences with, conferences or meetings with Mr. Hatch since March 17th, 1964, that you have not already outlined to us, concerning anything connected with the Lethbridge Central Feeders Association difficulties, or Hin Hat Som Ranches, that might be relevant?

A No, I think every meeting has been referred to in some way.

I came down once to discuss this account after I got it. I met with Mr. Hatch in September, with the Board.

Q I notice, according to a Board Meeting of July the 30th, 1964, that the Hin Hat Som account was discussed, and a settlement by Mr. Hinman was read by the Secretary. At least there is a notation to that effect.

Now, I am showing you what I understand to be the statement in question. There is a written, written figures here. As I recall, this is not

in your handwriting, but the information was supplied by you to the person who wrote this down in the Feeders office.

A Yes.

Q And then it is typed, these typed figures were presented.

Now, would you examine this statement which I have just marked schedule "A", for my own reference, and tell me if that is the statement?

A Well, I don't remember exactly what was said. What I was attempting to tell them, was the cattle that were now on the ranch, as a result of these negotiations, which hadn't previously been the property of the partnership, and these would be approximately right.

Q Okay. I'd like to have this entered as an exhibit.

THE COURT: Be under Hin Hat Som.

THE CLERK OF THE COURT: F-11b.

THE COURT: That's the first one, is it, or the third one?

THE CLERK OF THE COURT: Third one, yes.

THE COURT: Yes.

EXHIBIT NO. F-11 b
A statement.

MR. WEIR:

Q Now, the only other area that I am interested in, in conclusion, is the arrangement that was entered into between you and Mr. Hatch, and involving Mr. Brandley,

Noel Brandley, involving the Church calves.

Now, when this agreement was reached in the fall of 1963 what is your understanding as to who was to receive the money that was going to be represented by this 16¢ per pound gain that the Association was going to be paying?

A Two Arrow Ranches.

Q Two Arrow Ranches was going to get it all.

I was reading somewhere, in some minutes or from some documents, although I may be incorrect now, but correct me if I am, please, about certain discussions that Mr. Hatch had with you concerning at least a portion of this that should, or could be applied tothe Noel Brandley account wth the Association?

A That's right. Mr. Hatch told me, you recall Mr. Brandley's testimony, when they wanted him to take the calves he phoned to me, because we had already been discussing whether or not we could form the Ranch, and take it over, that's why he wanted me to agree to it. Mr. Hatch told me that he had hoped to collect some of this on Mr. Brandley's account.

Q Yes.

A At that time I showed Mr. Hatch the bills that had to be paid, and an estimate of the operating expense, and told him it would just be absolutely impossible.

Q Now, this is not at the time of the incorporation of Two Arrows, now.

A No, this is previous to it.

Q I'm talking about before, this is when the original deal was entered into.

A That's right.

Q Even at that time all of the monies, as far as you were concerned, were to go to you?

A That's right.

Q I have no further questions, Your Honour.

Oh, excuse me. Were there any discussions about this $500.00 membership fee that you referred to before, that was paid by you and two other gentlemen back in 1952, I believe it was? What happened to this membership?

A Well, as I told you yesterday, when I applied for membership I didn't pay the $500.00, I was waiting to see whether the bank would support me. When the membership, the first I knew of the $500.00, Mr. MacLean told me that it had been paid, he thought, and sometime, just a few weeks ago, we looked at it again, and he told me there had been a transfer of the membership which had been paid on behalf of Mr. Kirkwall, Mr. Stockie, and myself.

Q Yes. So this was transferred to cover your membership fee in the association?

A That's right.

Q But what abour Hin Hat Som Ranch? To your knowledge, I don't know whether we have asked this question, but did you know that Hin Hat Som Ranch did have a ledger card---

A I did not.

Q You didn't know of the existance of this particular ledger card?

A I didn't know of it, at all.

THE COURT:

Q Where did you think that this money was being transferred?

A Well, we had made arrangements for $25,000.00 to operate the ranch. I had no idea that that wasn't covering the operation and the few capital expenditures necessary. As far as the cattle are concerned, Mr. Hatch had told us that he would be able to get cattle for us, and I am sure Mr. Sommerfeldt, and I, both thought that he was doing that.

Q And not charging it to the ranch?

A No. Well, he was charging it to the ranch, but we didn't know that he was getting money in this way to do it.

Q Through the Association?

A Yes. He led us to think that he could supply some cattle himself, and that he could get other cattle for us.

MR. WEIR:

[Cont.]

Thank you.

Q. But what about Hin Hat Son Reunb? Do you knowledge don't know whether we have asked this question, but you know that Hin Hat Son Heuri did have a lease ---

I did not.

You didn't know of the existence of this partia ledger card?

I didn't know of it, at all

THE COURT:

Q. Where did you think that this money was going Well, we had made arrangements for $25,000.00 the ranch. I had no idea that wasn't for operation and the few cattle expenditures

As far as the cattle are concerned, Mr. Reub ha he that he would be able ... to sure Mr. Sommerfeldt, she I. both thought ... doing that.

And not charging it to the ranch?

A. Well, he was charging it to the ranch but at that he was getting money in this way to

Q. ... ... modation?

A. ...

Q So this is the loan that you referred to that was, at least partially paid, or some portion was paid on it, by this cheque that we have already discussed, of $16,975.00?

A That's right.

Q I have no further questions, Your Honour.

MR. MOSCOVICH: Would you like to adjourn for fifteen minutes?

THE COURT: Yes, I think we will adjourn for 15 minutes before we go any further.

(FIFTEEN MINUTE ADJOURNMENT)

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q Mr. Hinman, you were,as known by everybody, the Provincial Treasurer of the Province of Alberta?

A That's right.

Q And you are still a member of the Provincial Legislature?

A I am.

Q In the course of your duties as Provincial Treasurer you gained much experience to that already possessed by you before you took that position?

A That's right.

Q You have, for many years, been engaged in the cattle industry?

A I have.

Q And you are still interested in it today?

A I am.

So this is the loan that you referred to that was, at least partially paid, or some portion was it, by this cheque that we have already given $16,975.00?

That's right.

I have no further questions, our Honour

MR. MOSCOVICH: Would we be allowed fifteen minutes?

THE COURT: Yes, I think we will 25 minutes before we go on. Further

(FIFTEEN MINUTES ADJOURNMENT)

MR. MOSCOVICH CONTD. EXAMINED THE WITNESS:

Mr. Hinman, you were, as known, by everyon Provincial Treasurer of the Province of That's right.

And you are still a member of the Provincia I am.

In the course of your duties as Provincial gained much experience to that effect.

Before you took that position?

I am, I been engaged in the banking

Q There is no doubt that this business is a dangerous one, because much depends on the uncertanty of the prevailing market?

A That's true.

Q Now, His Honour Judge Turcotte, in this investigation, is requested to inquire into the Administration, Management, and Financial Affairs of the Lethbridge Central Feeders Association, and the general operation in respect of the participation of the members therein. You are aware of that?

You, with your vast experience in financial matters, will admit that theparamount cause forthe collapse of this association was the unstable market of the past few years?

A I think, Mr. Moscovich, there is another factor too. Not only was it unstable, but for a number of years, for some reason, the feeders were paying a higher price for feeder cattle than the current price for beef, and the price of beef dropped thereafter, making it almost impossible to make a profit.

Q Now, you understand there were limits on the credits to members, but that these limits were not observed?

A I do.

Q As his Honour has pointed out, only a limited number of the actual large number of members exceeded their credit, but that these excesses really make up for

the major deficiency.

Now, Mr. Stewart W. Hatch was the supervisor. However, you know this, that there was, in connection with the Lethbridge Central Feeders Limited, a large number of assistants and clerks.

A Yes.

Q Besides Mr. Hatch. No one could operate a business in---

THE COURT: Is this your summation, or are you asking him some questions?

MR. MOSCOVICH: I am asking him, and he is answering me.

THE COURT: He hasn't answered out loud, he has nodded.

MR. MOSCOVICH: Will you answer out so that His Honour and the---

THE COURT: No, I want the reporter to hear.

MR. MOSCOVICH: The reporter can hear.

THE COURT: I am watching Mr. Hinman, but the reporter isn't.

MR. MOSCOVICH: Thank you very much. I am watching him, and he is answering satisfactorily.

Q Now, no one could operate a business of the extent of the Lethbridge Central Feeders Association with a turnover of, some years, I believe, of five million dollars worth of business, alone, and do it properly?

A They could not.

the major jailhouse.

Now, Mr. Stewart's data supervisor. However, you know this, that there was connection with the Lethbridge Central Foodere ma a large number of assistants and clerks.

Yes.

Besides Mr. Hatch, No one could operate a machine

THE COURT: Is this you answer for you asking him some questions?

MR. MOSCOVICH: I am asking him, and he answering me.

THE COURT: He wasn't answered but I was has nodded.

MR. MOSCOVICH: Will you answer yes or Sir honour and the---

THE COURT: No, I want the Prosecutor

MR. MOSCOVICH: The reporter can hear

THE COURT: I am watching Mr. Mosco. I am the reporter jam t.

R. MOSCOVICH: Thank you very much. I am asking him, one is answering satisfactor operative [illegible] of the gu Gentl--

Q There were other men in the service, like Mr. Clifford Peterson, Mr. Donald Nilsson, Mr. Anderson, they were associated with this business, as well?

A I have known they have been.

Q Now, Mr. Hatch was like a cat on a tin roof, he was everywhere, wasn't he? You know, he wouldn't be in the office, he would be all over the place, looking at---

A I used to see him in many places.

Q Many places. But the office business went rolling merrily along, isn't that so?

A It went on.

Q It went on. Now, in allowing more credit to members is there any doubt in your mind but that it was done, you heard some of the members give evidence, it was done with one object, namely, to rescue the individual members from the gutter into which they had fallen by poor markets and poor feeding operations?

A I could not know that for a fact, but I believe it to be true.

Q Now, Mr. Leighton, Mr. Sommerfeldt, and you, were jointly interested in this Hin Hat Som Limited venture?

A It was not then known by that name.

Q No, but Mr. Leighton was unfortunately killed in an automobile accident, I forgot the year, I think it was 1961?

A 1962, in July.

There were other men in the service, like Mr. [illegible] Ford Peterson, Mr. Donald Nilsson, Mr. Anderson. They were associated with this business, are well?

I have known they have been.

Now, Mr. Hatch was like a cat on a tin roof, he was everywhere, wasn't he? You know, I wouldn't be in the office, he would be all over the place, to know I used to see him in many places.

Many places. But the office business was rolling merrily along, isn't that so?

It went on.

It went on. Now, in allowing more credit to whomever, is there any doubt in your mind but that it was done. I heard some of the members give evidence, it with one object, namely, to remove the individual members from the gutter into which they had fallen poor markets and poor feeding operations?

I would not know that for a fact, but I believe [illegible] by them.

Now, [illegible] Leighton, Mr. Sommerfeldt, and you, were interested in this Min Net Son Limi[illegible] company?

Q July, 1962. His widow made a deal, as you have told His Honour, with Stewart Hatch?

A That's correct.

Q And he was supposed to pay her $4,000.00 a year, and made, which you understand, was a temporary, first payment of $4,000.00 On account of her interest in that deal?

A In May, in the succeeding May.

Q 1963?

A Yes.

Q Now, you have frankly admitted, and if you haven't, you will admit it now, if you care to, that a man of your standing will pay off to the Central Feeders Association when the correct amount is computed, the amount debited against your personal account?

A That's right.

Q They will not lose one solitary cent insofar, as you, personally, are concerned?

A That's correct.

Q And in answer to His Honour, this morning, you also intimated there was a moral obligation, though there may not be a legal obligation, and that is not to be decided in this hearing, that the company will pay off by its activities the correct sum which the company owes to the Lethbridge Central Feeders Association?

A That's our full intention.

Q And therefore, so far as your personal participation in the affiars of the Central Feeders, the company will lose nothing?

A That is my intention.

Q You have listened to the mixed up bookkeeping on a number of items. May I suggest to you that in spite of the unparalelled toil of Mr. Weir and His Honour Judge Turcotte, someplace, somewhere, the items you mentioned as not credited to you may be discovered?

A That's right.

THE COURT: What is that again?

MR. MOSCOVICH: I asked him, Your, that although you have toil labouriously that $4,000.00 item that he was complaining of may be yet found in some secret place in those numerous books.

THE COURT: No, it's right there, it's charged to Mr. Hinman. There is nothing secret about it.

MR. MOSCOVICH: It may be charged to some other man.

THE COURT: It's charged to Mr. Hinman, it's right in the books.

MR. WEIR: Let's hope not again.

THE COURT: I hope it's not there again.

MR. MOSCOVICH:

Q You will also admit that in the greatest part of the feeding company's business dealings correct vouchers

were kept, otherwise they wouldn't know where they are at?

A That appears to be right.

Q Now, since everybody has been casting blame, slurs, insinuations, upon my unfortunate client, what may appear to be insignificant items many insignificant items, along with a few larger ones will be shown never tohave benefited him personally.

What I mean isthis, that although he may have juggled the books, and I'm not questioning that today, or in these proceedings, although he may be juggling the books, these juggling efforts were made with one sole purpose, to help the individual member concerned in this feeders association?

A I would like to believe that, Mr. ---

Q Well, I want you to say yes.

Had stubborn differences between the company and the bank been brushed aside, all the parties, and the parties reached a settlement, a great Lethbridge industry may have been saved?

A I believe that, thoroughly.

Q This was a business doing a turnover from three to five million dollars a year. It had been in the bottom during the foot and mouth disease, you remember that?

A I do.

Q You were a member, I think, at that time?

A That's right, through the group.

Q And it has lost, so the Court has listened to this evidence, about 900, or 950,000.00?

A That's what I have read.

Q And is it your opinion, as an experienced businessman, cattleman, and financial man, that this same business may have been rescued if the institution, the banking institution and the Lethbridge Central Feeders would have got together and attmepted to rescue it?

A If the members and its executive had been co-operative with the bank, I am sure this could have paid out.

THE COURT:

Q That is if they had pledged their credit?

A And gone on operating, maintained it---

Q Oh, no, because first ofall they would have had to sign notes?

A Well, that would have been in the agreement between the two.

Q Yes. So every member who had nothing to do with the loss of this money would have had to sign notes to the bank, isn't that true?

A Your Honour, I think that would have depended on what the bank demanded, but I think some arrangement could have been worked out and had the operation continued, that it could have been made to pay out.

Q Yes.

That's right, through the group.

And it was lost, so the Court has listened to the evidence, about 900, or 950,000.00

That's what I have read.

And is it your opinion, as an experienced businessman gentleman, and financial man, that this sum would have been rescued if the institution, the institution and the Lethbridge Central Feeds have got together and attempted to rescue

If the members and the executive had been with the bank, I am sure this could have

THE COURT:

That is if they had pledged their credit?

And gone on operating, maintained it

Oh, no, because first off they would

argr across?

A. N.J. That would have been in the agreement before

So every member who had nothing to do with the money would have been to sign notes to

That's that case?

MR. MOSCOVICH: May I go on?

THE COURT: Yes.

MR. MOSCOVICH:

Q I'm not going to be very long with you, I don't want you to be coy when I ask you this question, that in all your dealings with Hatch, who represented the Lethbridge Feeders Association, and with Mr. Noel Brandley, who we heard you were associated with yesterday and today, you were, as becomes a man like you, open, frank, and honest?

A That's right.

Q Am I not right in suggesting to you that until late in the year 1964, when all these facts and suspicions came out, Stewart W. Hatch was recognized, a man of supreme integrity, in this Province?

A That's right.

Q And so much so that every member who was association with this corporation trusted him implicitly?

A That's right.

Q And there was nothing peculiarly wrong with you dealing with him? I am bringing that out as a matter of fairness to you, as a result of a question of Mr. Weir, that there was nothing wrong in your association with him before this collapse?

A We dealt in complete confidence.

Q Thank you very much.

THE COURT: Mr. ---

MR. MACDONALD: Macdonald.

THE COURT: Yes.

MR. MACDONALD CROSS EXAMINES THE WITNESS:

Q Mr. Hinman, how long have you been Provincial Treasurer of this Province?

A Since 1955, in August, until last July.

Q July the 30th, 1964?

A 64.

Q Started in 1955?

A 55.

Q And prior to 55, Mr. Hinman, you were a member of the Provincial Legislature from Cardston?

A That's right.

Q And when did you commence your duties with the Provincial Legislature?

A 1952.

Q You have only held one cabinet post in this Province?

A Two. I was minister of Municipal Affairs in 1954.

Q I see, and then Provincial Treasurer in 1955?

A That's right.

Q Until your recent resignation. Now, I gathered from the evidence that I have listened to over the last few days that you have extensive ranching interests in this Province, mostly in the Southern part, isn't that correct?

A Well, I don't think you would call them extensive. They are small ranches.

Q I see. Well, let's enumerate them. There is the Two Arrow Ranches Ltd, that we heard about fromMr. Brandley yesterday, that's one?

A Yes.

Q Yes. Secondly, we have the Hin Hat Som Ranch Limited that we have heard about so extensively this morning?

A That's right.

Q And what about the Glendale Farm? Is that a farm, or a ranch, what is that?

A I'm not sure to what you refer.

Q I'm talking about the sections of land that were put up so generously by you to Mr. Brandley so that he could borrow money?

A That's that Glenwood.

Q Oh, Glenwood, I'm sorry.

A It's a farm.

Q It's a farm. As opposed to a ranch, is it a ranch, or a farm?

A No, it's a farm.

Q Is it a farm that runs cattle?

A A few, but it's a grain farm, it's an irrigated farm, we raise grain and hay and things like that.

Q Where is that in reference to this city?

A It would be---

THE COURT: Oh, I know where it is, it's---

MR. MOSCOVICH: Near Cardston.

THE COURT: North-West of Cardston, and South-West of Pincher Creek.

THE WITNESS: Yes.

MR. MACDONALD: Thank you.

THE WITNESS: South-East of Pincher Creek.

THE COURT: South-East of Pincher Creek.

MR. MACDONALD:

Q Yes, so that's three, and then there was reference to the Peigan Ranch?

A That's right.

Q That is the ranch that Mr. Brandley I think, or perhaps it was you, said was on the Peigan reservation?

A Peigan reservation, that's right.

Q Now, you said that there were only some cattle on the Glendale ranch, but Two Arrow Ranches, Hin Hat Som, and Peigan all have cattle on them, have they not?

A Say it again, Two Arrows, Hin Hat Som, and Peigan. That's right.

Q And you had business activities with the Central Feeders Association in connection with the cattle that went to those three ranches?

A No relationship between the Peigan and the Feeders Association, except we sold, as I brought out in evidence, through Central Feeders Marketing, and as

THE COURT: Oh, I know where it is.

MR. MOSKOVICH: Near Cedaton.

THE COURT: North-West of Cedaton, in West of Pinchor Creek.

THE WITNESS: Yes.

MR. MACDONALD: Thank you.

THE WITNESS: South-East of Lucasen

THE COURT: South-East

MR. MACDONALD:

Yes, so that's three, and Alan Lucas was in the Peigan Reserve?

That's right.

That is the reason that Mr. Bromley [illegible] it was you, said was on the Peigan Indian Reservation, that's right.

MR.: You said that there were only [illegible] Blackfoot Band, but Two Arrow Reserve, [illegible] you will have cattle on them.

[illegible] Two Arrows, [illegible] in [illegible] [illegible] [illegible]

[illegible] [illegible] relations with the [illegible]

[illegible]

far as I am concerned, until the evidence I have given, no relationship between Two Arrows. Two Arrows is a new corporation.

Q Yes.

A Cattle that went there from the feeders went there previous to the incorporation.

Q Now, it would appear from your evidence Mr. Hinman, that you have been connected with the feeders association in one form or another since about 1952?

A I presume that's right. I had a dormant membership from 1952, as a partner, with partners.

Q I see. Were you an active member in 1952, and then did it lapse after that?

A As I have already said, in 1952 we joined the Association intending to sell through the association. We bought no cattle through them, we borrowed no money from them, in the end we had no dealings with them, and from that time there were no relationships of any kind.

Q That is you and Mr. Stockie and the other partner you had at Taber?

A That's right.

THE COURT:

Q Are you quite sure of that?

A Well, as you saw in the evidence, we purchased cattle, Mr. Leighton and I, which I wasn't aware it ever went on the cards, from them. We sold cattle tothem, but from

1952 until 1956, from 1953 until 1956 I had no Association, at all, with them.

Q With Kirkwall and Stockie?

A Oh, I did with them, but not with the Feeders.

Q And there's no records in the Feeders so far as you know?

A As far as I know.

Q I have cards galore here.

A Showing us?

Q Yes.

A Well, I'm not aware of it. Where did these cattle go, Your Honour?

Q Well, December the 31st, 1952, there is 140 cattle bought for $25,000.00.

A In what year?

Q 1952.

A That's the year we talked about.

Q Yes, but you said there were no sales?

A Yes, I wasn't aware we had purchased cattle through the association.

Q In April the 30th you sold the late lamented Mr. Cohen 40 cattle for $8,678.08. On May the 11th you sold Mr. Cohen another 40 cattle for $12,532.32.

A And did these go through the Association?

Q Well, I don't know, I presume so, it's on the, the sales are to Cohen, and then on May the 11th, you got an

advance of $4,500.00, on June the 8th you got $5,781.53, and on June the 8th you sold 74 steers to Pacific Meat, for $14,070.13. Now, I am just reading what is on here.

A Yes.

Q On December the 10th it shows that you bought, it's in the name of Hinman, 50 calves, for $3,032.50, again, 196 calves for $11,691.20, and there was interest charged on that, of $515.00.

A Are these all 1952?

Q Well, we are into---

MR. PROWSE: '53.

THE WITNESS: '53.

THE COURT:

Q '54, maybe, now, the interest was charged. And then on October the 29th you sold Mr. Murza Pack, perhaps you will remember, 131 steers for $14,348.77, and it goes on, and then there is another card in 1953, $25,000.00 on January, 1953, debits of $8,178.00, this is a contract, apparently, $25,000.00, that's the way they used to do in those days, and April the 30th, $500.00, and May the 12th, $8,033.00, and then in December of '53, a $14,723.70 contract, credit, and then debits, and here's another Ted Hinman, Cardston, 1951, it looks like, a forward balance, I couldn't find, these cards only start in 1951, I don't know where they are at

before that, with a debit balance of $5,386.88, and C.P.R. freight of $114.59, and you paid that on August the 4th, $5,501.47, then in December of '52 there's a cheque $211.60, I presume that's for one animal, and then coming to 1959, on December the 28th there is 90 steer calves for $8,500.00, with a commission of $150.00, which apparently you paid for on December the 31st, $8,650.00.

Now, I'm a little surprised at your statement that you didn't remember any of these things, and all these dealings, whether you knew about them or not, are all in your name.

A And under the contract of Hinman Stockie?

Q Hinman, Kirkwall---

A Well, Your Honour, some of the purchases and sales I may have known about, but I didn't know they were going through cards because they were simply buying and selling, but the partnership, Hinman--Stockie--Kirkwall, we cleared out in the spring of 1953, our loan was from the Bank of Montreal, I wasn't aware that we had purchased cattle through the Association, though the sales, as I told you, our purpose in joining was to use the sales organization, but it was my understanding that these sales to Mr. Cohen had been made directly, these others.

MR. MOSCOVICH: Is there any debt following those

proceedings, or have they all been cleared up?

THE COURT: Oh, they are all cleared up---

MR. MOSCOVICH: Oh, that's nice.

THE COURT: There's no argument about that, but they go over a considerable length of time.

MR. MOSCOVICH: Yes.

THE COURT: I mean, you see, this is a contract set up here for $25,000.00 on December 31st, 1962, which we may be able to get some evidence on, on Thursday, and then---

THE WITNESS: Is that in the partnership, Your Honour?

THE COURT:

Q Yes.

A Yes.

Q And then there is no sale on that until April and May.

A Well, that would have been the feeding operation to which I referred.

Q Well, there's certainly a contract there.

A Yes.

Q And there is contracts following, ifyou wish to look at all these cards.

A Well, when we signed the membership I presume we arranged the contract---

Q Yes, but you said there were no sales, and no business deals.

MR. MACDONALD:

Q You see, Mr. Hinman, you replied to me, perhaps I misunderstood you, I hope I haven't, I thought that you just joined the membership in 1952 and then it was dormant, that was your word, dormant, so I implied from that that things just went to sleep until you joined the Association again in 1962 or 3, whatever it was, but apparently from the records that have just been read by the Court, you have been actively engaged in the cattle business since even before 1951, and continuously thereafter. Now, isn't that true?

A The only explanation I can give, what I said, I said very honestly.

Q Oh, I don't doubt that for a second.

A I thought we completed the feeding operation in 1953, and that thereafter we did not deal with this account.

Now, I have been aware that we sell to Central Feeders Marketing, or Central Marketing, that we buy and sell cattle, but I wasn't aware that they were going through an account, because I know many people who sell to them and buy from them who are not members.

Q Well, wouldn't it appear from the records that his Honour has just read to us that you were actively engaged in the cattle business all through the 1950's?

THE COURT: No, just goes to 1954. This 1959

one maybe just a sale and purchase, although it is an invoice written in Mr. Hatch's name, and paid to Ted Hinman, 90 steer calves, $8,500.00, commission $150.00. It's a clear way of selling calves, but I mean, usually it is by weight, isn't it?

THE WITNESS: Yes. I would very much like to go through those to see whether or not Mr. Kirkwall, who remained at Taber, might have fed further on that contract. Mr. Stockie returned to Saskatchewan, and we had no more dealings as a partnership.

THE COURT:

Q Well, in 1952, December, 50 calves, they have got the name, Hinman, written in.

A Yes.

Q Now, not Kirkwall, or Stockie, but Hinman, and then, who was Wener, or Winer, have you any idea?

A Well, Mr. Winer is a cattle buyer in Saskatchewan.

Q Yes. Well, you bought 196 calves, apparently, from him.

A We may have done.

Q Yes.

A At the ranch.

Q And apparently you bought 50 calves from yourself, because it is marked in here, Hinman, as the seller.

A And they were bought by the partnership?

Q Hinman, Kirkwall, and Stockie, at least they are charged.

A Well, Your Honour, I might be able to go back through

them and recall them, but I wasn't aware that we were operating through the feeders as members.

MR. MACDONALD:

Q At any rate, you had a membership with the feeders about 1962?

A 52.

Q Whether you were actively engaged in the cattle business thereafter or not, apparently you rejoined the association sometime, about 10 years later, is that correct?

A That's right. Last April, a year ago in April.

Q Would it be a fair statement, Mr. Hinman, if I were to suggest to you that most of the difficulties that you have encountered with this business, and in particular the Hin Hat Som Ranch, is due to the fact that you were in Edmonton and the people who were actively running the business are several hundred miles away?

A Oh, I don't think that would be a fair inference.

Q You don't think that would be fair, at all?

A No.

Q Did you know what was going on?

A I certainly didn't know about these things.

Q Well, why didn't you know?

A How would I---

Q If that statement wasn't fair, why didn't you know?

A How would I have known. You have heard evidence here that people who live right here didn't know.

them and recall them, but I wasn't aware that we was operating through the feeders as members

MR. MACDONALD:

At any rate, you had a membership with the feeders 1952?

52.

Whether you were actively engaged in the thereafter or not, apparently you - when was sometime, about 10 years later, in th That's right. Last April, a year ago Would it be a fair statement, Mr. Hinman, if I were suggest to you that most of the difficulties that have encountered with this business, as I am the Hit list Gom Ranch, is due to the fact in Edmonton and the people who were actively the business are several hundred miles away? I don't think that would be a fair interpretation You don't think that would be fair, at

d you know what was going on?

actually didn't know about these things.

didn't you know?

Q These things that were revealed in evidence yesterday came to you as a surprise?

A They did.

Q And I suggest to you that if you had been here, rather than in Edmonton, you would have known what was going on?

A If I had been operating a ranch I certainly would have known what was going on.

Q How long have you known Mr. Stewart Hatch?

A Oh, probably 35 years. Since he was a boy.

Q When did you have your first business relationship, or connection with Mr. Hatch?

A Oh, the first direct one were these that have just been talked about.

Q That's what I'm interested in. The first direct business dealing that you had with Mr. Hatch was in connection with Lethbridge Central Feeders, was it?

A It was in relation with theHin Hat Som Ranch.

Q Hin Hat Som Ranch, I see. Did you form a partnership with Mr. Sommerfeldt and Mr. Hatch at any time, or was this a partnership that evolved through Leighton, yourself, and Sommerfeldt?

A It was never to have been a partnership. Mr. Hatch came by purchasing Mrs. Leighton's affairs, and the agreement from the beginning was that it would be a limited company.

things that were revealed to [illegible] you as a surprise

and I suggest to you that if you had [illegible] been in Edmonton, you would have shown [illegible]

If I had been operating a ranch [illegible] known what was going on.

How long has you known Mr. Steve [illegible]

Oh, probably 35 years since he was [illegible]

When did you have your first business [illegible] or connection with Mr. Hatch?

Oh, the first direct [illegible] been talked about.

[illegible] that's what I'm [illegible]

[illegible] long does you had with Mr. Hatch [illegible] with Lethbridge Centre, [illegible]

It was an relation with Trehin [illegible]

[illegible] Ranch, I see. Did you [illegible] partners [illegible] Sempfield and Mr. [illegible] or [illegible] partnership that evolved through [illegible]

[illegible]

[illegible] Mr. [illegible]

Q And when you, you and Mr. Leighton operated that business in the beginning, did you not?

A With Sommerfeldt.

Q With Mr. Sommerfeldt. The answer to that is yes?

A Yes.

Q Did you draw up a written partnership agreement, or was it a verbal partnership arrangement?

A It was a verbal---

Q Verbal partnership arrangement? You see, you're not answering the questions. If you don't answer the questions the Court Reporter can't hear what you're saying.

A I think he understood.

Q But you just nodded your head, that's not an answer.

A I said it was verbal.

Q Verbal, and then I said to you, a verbal partnership arrangment, and what did you say to that?

A Yes.

Q Yes. Then Mrs. Leighton died and---

A No.

THE COURT: It was Mr. Leighton.

MR. MACDONALD:

Q I'm sorry, Mr. Leighton died, and Hatch purchased Mrs. Leighton's interests, is that correct?

A That's right.

Q Was there ever a pre-incorporation arrangement drawn

between the three of you?

A There was not.

Q In actual fact, it carried on really as a partnership, pending the formation of the limited company, isn't that so?

A That's right.

Q How much actual time did you devote to the operation of that company, Mr. Hinman?

A Oh, not a very great deal. I could only get down a time to, maybe once in two months. I think probably in the winter time I didn't get to see it oftener than once in a whole winter.

Q Rather infrequently, then?

A Infrequently.

Q And when you made the statement to Mr. Weir this morning, that the Government had tohave my first time, that was an accurate description of your position at that time?

A It was.

Q You felt that you were a Minister of the Crown, and that your prime duties were in Edmonton, is that correct?

A I did.

Q But you did get down once every two months, did I understand you to say?

A Yes. I try to come to my constituency at least one week-end every month. On those occasions, if it were possible, I talked to my partners, and---

Q Yes. Was this association with you and the Leightons and Mr. Hatch about contemprariness with the dealings that you had with Mr. Brandley, did it all take place roughly about the same time, about 1962?

A My first dealings with Mr. Brandley were the spring of '52---

MR. MOSCOVICH: 62.

MR. MACDONALD:

Q 52 or 62?

A 62, rather. This started in the fall of '62, though at that time I was no longer dealing with Mr. Brandley.

Q I see. And it wasn't until the winter of 1964 that it was first drawn to your attention that things were not well with Lethbridge Central Feeders?

A That was in March, 1964.

Q March of '64. And I gather that in response to that information you came to Lethbridge about March 28th, 1964?

A No, it was March 26th when I came to Lethbridge. I may have stayed over. I don't know what day that is if it were a weekend I may have stayed over.

Q Stayed, came down for several days, at any rate.

A Yes.

Q Did this information come to you in your capacity as Provincial Treasurer, or as Edgar Hinman, private rancher, or both?

A I suppose you can't separate them. It came to me on

an occasion when I was Provincial Treasurer, andwhen I was also concerned with Hin Hat Som Ranch.

Q Yes.

A And with Mr. Brandley's ranch too.

Q You were engaged in a number of ranching operations at that time, that you received that information?

A That's right.

Q Both here and in Saskatchewan, and in British Columbia, isn't that right?

A That's right.

Q Was the legislature still sitting at that time?

A I can't tell you. I believe it would have been.

Q Yes, when you received that information did you contact or consult Mr. Strome, who was the Minister of Agriculture?

A No, I didn't. Not that day, not that time.

Q Why not?

A Why should I have done? I was down here and he was up there.

Q Well, when you received the information that things were not well with the Central Feeders, did you receive that information in Edmonton, or here?

A Here.

Q Oh, I see. You happened to be down here on Hin Hat Som business?

A No, I came down to see Mr. Brandley on that occasion.

He suggested that I come down, and I think he told me that I had to come down because the Feeders were in some difficulty. This was in the evening, and,as I recall his telephone conversation, and I came down that night, to his place.

Q So, there is no question about it, then, you came to Mr. Brandley's house in your capacity as Edgar Hinman, rancher?

A That's right.

Q Rather than Provincial Treasurer.

Now, when was it that you had the meeting with Mr. MacLean and Mr. Hatch at Mr. Brandley's farm, was that the next day, or the same day?

A No, it was March the 26th, that would have been, I believe that must have been a Saturday.

Q According to Mr. Brandley's evidence yesterday, as I recall it, you and Mr. Hatch and Mr. MacLean were in conference for a number of hours, would that be correct?

A I don't think it would have been a number of hours. I think Mr. MacLean's discussion with us would have been a very few minutes. Mr. Hatch came up in the morning, as I recall, we had lunch with the Brandleys.

Q I see. Mr. MacLean was the manager, or had something

I suggested that I come down, and I think he told me that I had to come down because the reporters were some difficulty. This was in the evening, on recall his telephone conversation, and I came that night, to his place.

So, there is no question about it, then, you came Mr. Brandley's house in your capacity as Edwin remember?

That's right.

Rather than Provincial Treasurer.

Now, when was it that you in the meeting with Mr. Meighen and Mr. Hatch at Brandley's farm, was that the next day, or the same day?

No, it was March the 26th, that would have been believe that must have been a Saturday.

According to Mr. Brandley's evidence yesterday, he recall it, you and Mr. Hatch and Mr. Meighen conference for a number of hours, would that be

[illegible]

Why that it would have been a number of hours, [illegible] conversation with no young man.

to do with the Bank of Commerce at that time?

A That's right.

MR. MOSCOVICH: He is the manager.

MR. MACDONALD: He is the manager.

MR. MOSCOVICH: He is behind you.

MR. MACDONALD: Thank you.

Q And I gather that some of the discussion had something to do with the financing of Central Feeders, and the financial difficulties that the Association was in?

A That's right.

Q And was it that day that you had the meeting outside the Court House---

A No.

Q Or was that the following day?

A Oh, I think that must have been considerably later.

Q That you were back again?

A No, they were having a meeting of the members of the Association the day I was outside the Court House.

Q I see. This occasion that I am referring to, when you were with Mr. Brandley and Mr. MacLean and Mr. Hatch, that was just a private meeting?

A That's right.

THE COURT:

Q What time did you think that was?

A Well, it must have been considerably later than March the 26th. I'm not sure what the date is.

Q Which, the meeting of the---

A Of the members, yes.

MR. WEIR: Your Honour, I believe it was April 20th, wasn't it.

MR. MACDONALD:

Q Did Mr. MacLean intimate to you that the bank's position was adamant in this case, and that the bank had gone as far as they could go?

A I don't think we discussed that, at all.

Q Why was Mr. MacLean there, then?

A In the first place, he was the banker, and was expected to look at the cattle on these farms.

Q Oh, he was checking his security?

A Well, I presume that was one of his purposes on the Brandley ranch, as far as him discussing it with us is concerned it was a general discussion as to the position that there was, and nobody said anything about what the bank would or wouldn't do.

Q Now, as I got your evidence this morning, did Mr. Hatch say to you that he was sorry you would be implicated, or involved, something to that effect?

A Yes. He said he was sorry that this would implicate me, because of credits which had been charged tothe ranch.

THE COURT:

Q Oh, he told you at that time that you had credits?

A That's right.

Q. the meeting of the--

Q. the members, yes.

MR. WEIS: Your Honor, I believe it was

A 2nd 20th, wasn't it.

MR. MACDONALD:

Q Mr. Mcolsen intimate to you that the [illegible] position was adamant in this case, and that [illegible] was going [illegible] as they could go?

I don't think we discussed that, at all.

Why was Mr. Mcolsen there, then?

A. The first place, he was the banker [illegible] was concerned to look at the cattle on these farms.

Q. He was checking his security?

Well, I presume that was one of his purposes [illegible] Bradley ranch, as far as his [illegible] [illegible] concerned it was a general discussion as [illegible] [illegible] that there was, and nobody [illegible] anything about what would or wouldn't do.

Q. I got your evidence this morning, did Mr. Mcolsen, or did he use money you would be implicated.

MR. MACDONALD:

Q He was referring to personal credits of yours with Hin Hat Som ranch, is that what he was referring to?

A I think so, yes.

Q You think---

A The things which were in this account that we have been over.

Q Yes. Did he discuss those credits with you in some detail?

A No, he didn't.

Q Well, were you not somewhat dismayed when he intimated to you that you would be implicated, or involved? Didn't you ask for an explanation?

A I did.

Q Was none forthcoming?

A No explanation. He simply told me what had taken place. He didn't try to explain it away.

Q Who was it who said that there was a possibility that the feeders could still work their way out of this unhappy situation?

A It was I.

Q You said that?

A In evidence before.

Q I beg your pardon?

A In a question of Mr. Moscovich, I said I felt they could have.

Q Well, I'm talking about your evidence that you gave in

response to Mr. Weir's questions this morning, who was asking you about that conference at Brandley's, and as I got your evidence somebody at this meeting said there was a possibility that the Feeders could still work their way out.

A Well, Mr. Hatch felt that.

Q Mr. Hatch felt that?

A Yes.

Q Did you feel that?

A From what I knew. I had no knowledge at that time of the extent of the debt.

Q Did Mr. MacLean say that he felt that theFeeders could still work their way out of this situation?

A Not that I recall.

Q You think that came from Mr. Hatch?

A Yes.

Q Did you offer to lend any assistance, in any way?

A I told him I was very interested in keeping going. I don't recall that I offered any special assistance.

Q I didn't quite hear you.

A I don't recall that I told him I could give any assistance.

Q But that you were interested in doing what?

A Well, I was very interested in seeing it work its way out, if it could.

Q Yes. Did you suggest to either of those gentlemen that perhaps the provincial Government, or the Provincial

Treasury Branch, in particular, could lend the necessary assistance to bail the Central Feeders out of their difficulties?

A I did not.

Q Now, there was another meeting that was described briefly by you to Mr. Weir this morning, a meeting in Calgary, you said, with the Bank, and I took it from your evidence that it had reference to the Central Feeders?

A That's right.

Q And the gigantic loss that was facing them. Who was present at that meeting, and when was it, and where?

A I could find the date, I don't have it now.

Q Well, roughly. I don't expect you to remember---

A Well, it would have been after this meeting here. I presume it would have been late April or early May, and Mr. Paxman, I believe, was there, Mr. Porter, Mr. Hatch, and I, I recall those.

Q Mr. Porter.

A Who was a director.

Q A director of Central Feeders. Mr. Porter, Mr. Paxman, yourself, and who else?

MR. MOSCOVICH: Mr. Johnson.

MR. MACDONALD:

Q Mr. Johnson, did you say?

[illegible] Branch, in particular, could lend the necessary assistance to pull the General Feather out of difficulties?

Now, there was another matter that was dear precisely by you to Mr. Weir this morning, [illegible] Calgary, you said, with the Bank, [illegible] your evidence that it had refinanced [illegible] necessary?

That's right.

Q. And the giganto-Juno link was Canada Wire was present at that meeting, and [illegible] where?

I could find the date, I don't have it [illegible] Well, roughly, I don't expect you [illegible] Well, it would have been sometime late [illegible] because it would have been [illegible] at the Fairmont, I believe, was there, Mr. [illegible] Gordon and I, I recall, there.

Q. [illegible]

A Mr. Johnson, of the bank.

MR. MOSCOVICH: Supervisor.

MR. MACDONALD: Thank you, Mr. Moscovich.

Q Which bank was this?

A Canadian Imperial Bank of Commerce.

THE COURT:

Q Was that after September 9th? I have in the minutes to the bank, Hinman seeing Johnson C.I.B.C., this week, will discuss with him the taking over of the ranch account, with approval the Board will also discuss admission of Association bank, oh, that's afterwards?

A Yes.

Q Oh, I see.

MR. MACDONALD:

Q No, this meeting that I'm making reference to, there was Mr. Johnson, Mr. Paxman, yourself, and a fourth person?

A Mr. Porter.

Q Mr. Porter.

A There may have been another, I was trying to think of another name of a director.

Q I am just trying to locate when this happened, roughly? Was it early summer, 1964, or---

A Oh, I think it would have been in, probably May. I can get those dates for you.

Q Were you instrumental in arranging that meeting?

A No.

Q How did it happen that the meeting was called and that you were there?

A I was down, Mr. Hatch told me they were going up to see me, ask me if I'd like to sit in, and I said I'd be willing to. I was on my way back to Edmonton.

Q You were on your way back to Edmonton from Lethbridge?

A Yes. From Cardston, actually.

Q From Cardston. So it was Mr. Hatch's suggestion that you go with them to the bank in Calgary, is that correct?

A That's right.

Q How long did that meeting last?

A Oh, I think probably less than an hour.

Q Was the bank difficult on that occasion?
Did they say they were going to call their securities, or make the people honour their obligations, or anything of that kind?

A They didn't.

Q I don't quite understand how this meeting happened in Calgary. Why did it happen in Calgary, at that particular branch, at that particular time?

THE COURT: No, it's not the branch, it's the Supervisor's Office.

MR. MACDONALD: Oh, the Supervisor's office, I'm Sorry.

Were you instrumental in arranging that meeting?

How did it happen that the meeting was called and you were there?

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That's right.

How long did that meeting last?

Oh, I think probably less than an hour.

Was the bank difficult on that occasion?

They say they were going to call their securities, make the people honour their obligations, or anything of that kind?

Q Why did it happen ?

A Well, I suppose they felt they had to discuss it with somebody higher than the local manager if they were going to talk about getting a complete settlement, or a complete new approach.

Q And were you there as Edgar Hinman, a member of the Feeders Association?

A I was.

Q That's why you were there. Did you make any suggestions as to how the whole situation could be resolved by banking assistance, or anything of that kind?

A No. Mr. Hatch had a plan that he thought was workable, and that was presented and we discussed it.

Q Was it satisfactory to the bank?

A Mr. Johnson wasn't in a position to say it was.

Q So that the meeting came to a conclusion without any positive conclusion being reached?

A That's right.

Q Is that the last time you saw Mr. Hatch?

A No, I don't think so.

Q He was in this area throughout the summer of 1964?

A Yes.

Q Were you in close contact with him?

A No.

Q Were you not in communication with him about the cattle

Why did it happen ?

Well, I suppose they felt they had to discuss it somebody higher than the local manager - they going to talk about getting a complete settlemo a complete new approach.

And were you there as Edgar Hansen, a member Teachers Associations?

I was.

That's why you were there. Did you make any suggestions as to how the whole situation could resolved by banking assistance, or anything of kind?

No. Mr. Hatch had a plan that he thought was and that was presented and we discussed it.

Was it satisfactory to the bank?

Mr. Johnson wasn't in a position to say it so that the meeting came to a conclusion without preliminary conclusion being reached?

Last time you saw Mr. Hatch?

Not this

A year a

and the affairs of Hin Hat Som Ranch?

A I was.

Q But not about the general predicament of Central Feeders, in general?

A No, not particularly. I came down one time after I got a statement, that I used in evidence, and went over some of it with him.

Q Yes. The Legislature had prorogued at that time?

A Yes.

Q And you were down in Cardston?

A That's right.

Q Did you have any information that Mr. Hatch was going to leave the jurisdiction for California?

A I did not.

Q Did that come as a complete surprise to you?

A Yes. When you say surprise, I didn't know he was going to do it.

THE COURT:

Q When did you first know that he was going to move?

A I think probably he had gone when I first knew he was going to do it.

Q Oh, and then he came back later and you had discussions and meetings?

A That's right. He came back in September.

MR. MACDONALD:

Q Just for the purpose of the record, and my own information,

Raise of Min Met Sun Bench?

I wa

But not about the general predisgement of Senator

in general?

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a statement , that I used in evidence, and

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to leave the jurisdiction for California?

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Yes. When you say surprise, I didn't

going to do it.

THE COURT:

When did you first know that he was going - never?

I th robably he had gone when I first knew he

g to do

Later on you had discussions

In his Chambers

when did you first learn that Mr. Hatch had departed?

A I don't know that I can tell you when I first knew.

Q Yes.

A I remember the occasion that, my daughter lives very close, and Vans were loading at his house and my daughter mentioned that he had already gone.

Q I see. He lived in Cardston?

A He lived in Lethbridge.

Q Lethbridge, I see. Did he communicate with you from Riverside, California, at all?

A On one occasion.

Q Discussing the advisability of returning to this country?

A No. Discussing, I discussed with him whether he wouldn't come back so that we could meet with the Board members. They were anxious to have him come back and said they didn't think he would. He said he would, and he did come back, that was about September 7th.

MR. MOSCOVICH: Perhaps, Your Honour, may I interrupt my Learned Friend and bring to his attention what he perhaps doesn't know, that at that first meeting the members of the association gave him a clean bill of health.

THE COURT: What meeting?

MR. MOSCOVICH: The members meeting, the membership meeting, he was given a clean bill of health. Mr. Paxman moved it.

THE COURT: Mr. who?

MR. MOSCOVICH: Paxman, wasn't it?

MR. WEIR: W. A. Anderson.

MR. MOSCOVICH: W. A. Anderson, that's right. I am just helping my friend.

MR. MACDONALD: Oh, I know you are. And once again I express my gratitude.

Q Now, Mr. Hinman, you did say when you were concludi you evidence for Mr. Weir that you met with the Board in September. You were referring then to the Board---

A Feeders Association.

Q Lethbridge Central Feeders Association. Mr. Hatch, of course, was not present at that meeting?

A He was.

Q He was present. So would that be the last time?

A That is the last time.

Q I see. And that was the occasion you referred to---

MR. MOSCOVICH: I was trying to help you.

MR. MACDONALD: I know you were.

MR. MOSCOVICH: I thank you for your gratitude.

MR. MACDONALD: Professional stings, I'm sorry, Your Honour.

Q There was just one other thing I wanted clear before I finish. Yesterday there was a reference that you made to a garage business of some kind, in which you have a one third interest, in Cardston, is it?

ZONAT: Mr. who?

MR. MOSCOVICH: Pecaran, wasn't it?

MR. WEIR: W. A. Andersen.

MR. MOSCOVICH: W. A. Andersen. Small right. I am just helping my friend.

MR. MACDONALD: Oh, I know you are. And once I express my gratitude.

Now, Mr. Hinman, you did say you evidence for Mr. Weir that you met with the in September. You were referring then to the Peadere Association.

Lethbridge Central Peadere Association, Mr. Hi of course, was not present at that meeting He was.

He was present. So would that be ... June 1 That is the last time.

I see. And that was the occasion you refer

MR. MOSCOVICH: I was trying to help you.

MR. MACDONALD: I know you were.

MR. MOSCOVICH: I thank you for your gratuitous. Professional. I'm sorry.

A That's right.

Q Called the B and R---

A B and R Service, Cardston, Limited.

Q B and R Service, and I gathered at that time to which you were referring, that Mr. Hatch wanted a new truck?

A For the ranch in Cranbrook.

Q Yes. And when you say the ranch in Cranbrook, you're referring to the Hin Hat Som Ranch?

A Hin Hat Som Ranch.

Q Is this ranch near Fort Steele, Mr. Hinman?

A Yes, I think Fort Steele is just down the river, I have never been to Fort Steele, but I recall the sign there.

Q I see. And you made the truck available for Mr. Hatch?

A That's right.

Q Through the services of B and R?

A That's right.

Q Just one final question. Are you able to tell the Court whether your connections or associations with the Central Feeders Association in any way have been association with your resignation?

A I'm not aware that it has anything to do with it.

Q Thank you.

THE COURT: Mr. Prowse.

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q Just one question. Mr. Hinman, Mr. Brandley lost a large number of cattle in the spring, or over this, in the

That's right.

Called the B and R---

B and R Service, Cardston, Limited.

B and R Service, and I gathered at that time you were referring, that Mr. Hatch wanted a new trunk for the ranch in Cranbrook.

Yes. And when you say the ranch in Cranbrook, you referring to the Hin Hat Son Ranch?

Hin Hat Son Ranch.

Is this ranch near Fort Steele, Mr. Simmons?

Yes, I think Fort Steele is just down the river. I never been to Fort Steele, but I recall the area I see. And you made the trunk available for Mr. Hatch.

That's right.

Through the services of B and R?

That's right.

Just one final question. Are you able to tell me whether your connections or associations with the Alberta Federe Association in any way have been [illegible]ion with your resignation?

[illegible] that [illegible] to do with [illegible]

spring of 1962.

Now, later that year you financed him, I think, to put in the crop. Did he ever make any mention to you as to what happened to those cattle?

A Yes. He told me that once when he went out to go over the cattle he had mentioned that he had been ill, that he found about 100 carcasses, which shocked him very much.

Q But that's all, that's the extent of the loss that he explained to you, is it?

A That's right.

Q That's all, Mr. Hinman.

THE COURT:

Q Well, Mr. Hinman, Mr. Hatch was apparently in the City of Lethbridge on the 11th day of August, 1964. Did you see him around that time?

A I might have. I have no recollection of this on that day.

Q Well, wouldn't you remember? You say you only remember seeing him once?

A That's right.

Q And that was on September the 9th. Now, I have evidence here that he was here on the 11th of August, because he signed a Transfer of Land in Mr. Ives and Mr. Offet's office in Lethbridge, on the 11th of August.

A I have no recollection of seeing him. If I could recall

anything that might have taken place, but I have no recollection of that date.

Q Now, when did you get a copy of the accounts that you were referring to yesterday?

A It would have been within two or three weeks after March 26th, because I immediately wrote and asked for this, and it took some time for them to prepare it. I presume they were preparing them for a lot of people.

Q I see. So that by the end of April of 1964 you had both statements?

A I think I would have by the end of April.

Q By the end of April. Hin Hat Som and your own account. Now, did you look at them then?

A I certainly did.

Q And did you notice that Mr. Hatch had charged up many items to your account that should have been charged to Hin Hat?

A Yes, I did.

Q And did you notice that Mr. Hatch had charged up one $4,000.00 which should have been charged neither to you nor to Hin Hat, being his $4,000.00 payment to Mrs. Leighton.

A I did.

Q Yes. Now, did you, at that time, sit down and write a letter tothe Board of Directors pointing these things out?

anything that might have taken place, but I have recollection of that date.

Now, when did you get a copy of the statements that you were referring to yesterday?

It would have been within two or three weeks after March 26th, because I immediately wrote and asked this, and it took some time for them to prepare pressure they were preparing them for ...

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By the end of April. Did Det Sgt and your ...

w. did you look at them then?

Certainly did.

Did you notice that Mr. Heinz had charged ... to your account that should have been charged ...

. I did.

Now notice that Mr. Heinz had charged up one ... which should have been charged neither to ... that, he did 23,000.00 payments to.

A I did not.

Q Did you, in any way, bring to the attention of the Board, Mr. Paxman and the other members, this very serious matter of taking Association money and charging you with it?

A The first time I met with them I did.

Q And when was that?

A It was probably previous to the meeting when we went to Edmonton, because I met some of the members of the Board, I brought to, Mr. Paxman was one, and another one from Raymond, I'm not sure who he is, the name doesn't come to me, but I did tell them.

Q That you had been charged $4,000.00, or---

A Well, now, I wasn't sure that I had been charged. I saw the item of $4,000.00, I didn't know what it was, but after I met with Mr. Peterson to go over the itemized statement which he gave me, then I became aware that this payment had gone to Mrs. Leighton.

Q And when was that that you went over the account with Mr. Peterson?

A Must have been early May.

Q Of 1964?

A Yes. He sent it to me, and the next time I came down I went to the office particularly to see what---

Q Well, here is a, as I see it, I think a very serious matter. Here is a man who has used somebody else's

I did not.

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That you had been charged $4,000.00, or---

Well, now, I wasn't sure that I had been charged. I saw the item of $4,000.00, I didn't know what it was. After I met with Mr. Peterson to go over the income statement which he gave me, then I became aware that this payment had gone to Mrs. Leighton.

And was that that you went over the account with Mr. Peterson?

money in the amount of $4,000.00, apparently without the knowledge of the Board, because the members of the Board gave evidence that they didn't even know that Hin Hat existed, here is a man who takes $4,000.00 outof a fund without the knowledge of the Board , pays it to Mr. Leighton, and charges it to you. Now, didn't you think that you should put something in writing about that, to the Board?

A No, I didn't, Your Honour. I talked to Mr. Hatch about it, and he recognized it, said he would take full responsibility, I don't think it occurred tome that I ought to be taking steps which might protect my interests later on, at the time.

Q Not particularly protecting your interests, protecting the interests of the members of the association, who were out $4,000.00.

A You will recall that I discussed it with Mr. Peterson and Mr. Hatch, so that the association ought to have been aware, these were their officers.

Q Oh, do you think that Mr. Hatch, having taken $4,000.00 of association money and charged it to your account without letting you know, would then come forward and tell the Board of Directors about it?

A No, but I thought Mr. Peterson must be, I discussed it also with Jack Dogterom, who was appointed, as you remember, at that time.

a the amount of $4,000.00, apparently, without the knowledge of the Board, because the Board gave evidence that they didn't even know that existed, here is a man who takes $4,000.00 and found without the knowledge of the Board , may Mr. Leighton, and charges it to you. Don't you think that you should put something in writing, to the Board?

No, I didn't, Your Honour. I talked to Mr. Grant on it, and he recognized it, said he would take responsibility, I don't think it occurred ought to be taking steps which might prejudice interests later on, at the time.

Not particularly protecting your interests, from the interests of the members of the association, you were out $4,000.00.

You will recall that I discussed it with Mr. Hetherington, Mr. Leitch, so that the accounts you ought to have gone, these were their officers.

I think that Mr. Leitch, having taken $4,000.00

; could you come forward and

Q Now, has any, there are no documents of transfer of property of any description as far as Hin Hat Som Limited is concerned?

A That's right.

Q In whose name is the bank account in Cranbrook?

A There was a new bank account opened in the name of Hin Hat Som.

Q Limited?

A Yes, I think so.

Q Well, how could you open a bank account of Hin Hat Som Limited in the Province of British Columbia?

A Well, I didn't open it, Mr. Hatch did, and I don't know how he did it, but---

Q Are you sure it is opened in the name of the limited company?

A I am not.

Q You're not.

A Mr. Sommerfeldt could answer that.

Q I see. Because, isn't it a fact that an Alberta company, to carry on business in B.C., the same as a British Columbia Company in Alberta, must register?

A Should have been registered.

Q Yes.

A I would think that's right.

Q And are you, you're fairly sure that your Hin Hat Som Limited has not been registered in British Columbia?

Q. Now, there are no documents of transfer, or property of any description as far as Hin Wah Kee Company is concerned?

That's right.

In whose name is the bank account in Grenfell?

There was a new bank account opened in the name Bat Som.

Limited?

Yes, I think so.

Well; how could you open a bank account in Limited in the Province of British Columbia?

Well, I didn't open it, Mr. Hatch did; and how he did it, but---

Are you sure it is opened in the name of the company?

I am not.

You are not.

Q. Commercials would never that.

A. Because, isn't it a fact that an Alberta company, witness in B.C., the same as a Mutile, [illegible], must register?

A That's right. We asked Mr. Battrum to arrange that, but it was never accomplished.

Q Never done, eh, so that surely the Canadian Imperial Bank of Commerce in Cranbrook wouldn't open an account in the name of a limited company which wasn't authorized to do business in British Columbia, do you think?

A No, that is probably right.

Q Yes. Now, who is Secretary of Hin Hat Som limited?

A Mr. Hatch.

Q Mr. Hatch. And who is Secretary of Hin Hat Som, itself?

A Well, he was acting as secretary.

Q All right. Now, who keeps the books?

A Mr. Hatch was keeping the books.

Q And how long did he keep the books?

A Well, he still has them.

Q Still has them. Well, he has been away in California since July of 1964. Who has been keeping the books?

A Mr. Sommerfeldt has been keeping all the records that are necessary.

Q Well, have you set up a new system of bookkeeping?

A I haven't, because we have been hoping to meet with Mr. Hatch to go over the old ones.

Q Well then, what, you must have a set of books, surely. You must have income, and outgo, and bank balances, and purchases of cattle, and payment of wages, and all these

[illegible] x bbb. We asked Mr. Hatton to arrange [illegible]. It was never accomplished.

Never done, eh, so that surely the Canadian Imperial Bank of Commerce in Cranbrook wouldn't open an account in the name of a limited company unless [illegible] authorized to do business in British Columbia, do you think?

No, that is probably right.

Yes. Now, who is Secretary of Kin Hat [illegible] Mr. Hatch.

Mr. Hatch. And who is Secretary of Kin Hat [illegible]

Well, he was acting as secretary.

All right. Now, who keeps the books?

Hatch was keeping the books.

And how long did he keep the books?

Well, he still has them.

Still has them. Well, he has been away [illegible] Alberta during of 1964, who has been keeping the books? [illegible] Hatch has been keeping all the records that [illegible]

things, isn't that true?

A Mr. Sommerfeldt has been keeping what records have been kept.

Q Well, they must be down in a book, don't you think?

A No, I'm not sure they would be down in a book.

Q You're not sure. Well, who writes the cheques?

A I think none have been written for a very long time but Mr. Sommerfeldt did have a right to write cheques.

Q All right, I mean, after all, Mr. Sommerfeldt has got to live.

A That's right.

Q And I presume he has got to buy supplies, is thatnot true?

A That's right.

Q Well, where is the bank account to pay for these things?

A I think Mr. Sommerfeldt has been using some credit, and he had some other personal income, sohe didn't need to draw.

Q Well now, this thing occurred last March, did Mr. Hatch carry on until July, as secretary?

A Yes.

Q Did he write cheques, and so forth?

A I'm not sure what cheques he has written. Mr. Sommerfeldt probably did.

Q Well, how many cattle would you have out there?

A Well, there must have been approximately 500 on the

things, isn't that true?

Mr. Sommerfield has been keeping what records he has been kept.

Well, they must be down in a book, don't you think?

No, I'm not sure they would [illegible] down in a book.

You're not sure. Well, who writes the checks?

I think none have been written for a very long [illegible] but Mr. Sommerfield did have a right to write checks.

All right. I mean, after all, Mr. Sommerfield [illegible] to live.

That's right.

And I presume he was not to buy supplies, is that true?

That's right.

Well, where is the bank account to pay for these things?

I think Mr. Sommerfield has been using some credit, and he had none other personal income, so he didn't need to draw.

Well now, this thing occurred last March, did Mr. [illegible] on until July, as secretary?

ranch.

Q All right.

A At the end of the summer.

Q That's right, and some of those have been sold?

A No. With the exception of one bull, I think none have been sold.

Q Oh, you have still got them all?

A Yes. By an agreement with the bank we brought the cattle down to Two Arrow Ranch and put them on feed, and they will be sold.

Q I see, yes.

A I mean, the cattle which are going to be marketed.

Q Well, when did you find out that this Association money had been used to pay for your bank loan in Cranbrook?

A When I finally was able to reach Mr. Hatch about that one item, then he told me that that is what happened to it.

Q And when was that?

A Must have been in May.

Q In May of 1964?

A Yes.

Q When he was still here?

A That's right.

Q You have told us that some of the items in your own account are in reference to Hin Hat Som, and others are in reference to your Peigan ranch.

Yes.

All right.

At the end of the summer.

That's right. And some of those have been sold?

No. With the exception of one bull, I think it has been sold.

Oh, you have still got them all?

Yes. By an agreement with the bank we turned down to Two Arrow Ranch and put them on feed and will be sold.

I see, yes.

I mean, the cattle which are going to

Well, when did you find out that that had been used to pay for your bank loan?

When I finally was able to reach Mr. Hoffman one item, then he told me that that was what it.

And when was that?

Must have been in May.

In January 1964?

A Yes.

Q Have you ever sat down, yourself, and prepared a statement?

A I have. I know which items are which.

Q You know which is which.

A I referred to those yesterday as we went through the account.

Q I see. Is there any arrangement between Mr. Sommerfeldt and yourself as to the, and company, as to the transfer of his land to this company?

A It was an understanding that when everything was done to, Mr. Hatch had settled with Mrs. Leighton, that at that time we would talk about transferring the lease.

Q Well, Mr. Hinman, you're aware of the objects of a co-operative association?

A Yes.

Q It is created for one of, or all of maybe three purposes, to buy goods for the members, to market goods, or we have these credit associations to provide credit for members, is that correct?

A That's right.

Q How, then, can you justify these dealings of Hatch with this association, which have been to your benefit and to Sommerfeldt's benefit?

A I can't justify them.

Q You can't justify them?

A I'm not attempting to.

Q Well, you can't justify them, and you can't attempt to,

Were you ever sat down, yourself, and prepared a statement?

I have. I know which items are which.

You know which is which.

I referred to those yesterday as we went through.

I see. Is there any arrangement between Mr. Commerton and yourself as to the, and company, as to the transfer of his land to this company?

It was an understanding that when everything was done Mr. Hatch had settled with Mr. Leighton, that at that time we would talk about transferring the land, Mr. Hinman. You're aware of the pro-rata of co-operative associations?

It is created for one of, or all of maybe three purposes buy goods for the members, to market goods or we have there credit associations to provide credit for, is that correct?

you were aware of them in March or April of 1964, is that correct?

A In March, yes.

Q Yes. And this is now the, I forgot, I'm getting a little hazy on dates.

MR. MOSCOVICH: 12th.

THE COURT: The last date I remember is about the 15th ofDecember, but I think this is the 12th of January, 1965, is that correct?

THE WITNESS: That's right.

THE COURT:

Q And both your own account and the Hin Hat Som Account are exactly the same as they were in March of 1964, right?

A Right.

Q Nothing has been done by yourself to pay off either of these accounts, correct?

A This---

Q Nothing has resulted, anyway, no payment has been made?

A That's right.

Q Yes. Now, if you wish to explain, go ahead.

A Well, I was just going to say, my arrangement with Mr. MacLean was that as these cattle are sold, as soon as the expenses are paid everything will be turned on this account.

Q On which one?

[illegible] are aware of them in March or April of 1964,

[illegible] correct? [illegible]

In March, yes.

Yes. And this is now the, I forget. I'm getting a little

hazy on dates.

MR. MOSKOVICH: 14th.

THE COURT: The last date I remember is among

the 15th of December, but I think this is the next on,

January, 1965, is that correct?

THE WITNESS: That's right.

THE COURT:

And both your own account and the Mia [illegible]

are exactly the same as they were in March or

April?

[illegible] has been done by yourself to pay off either

[illegible] accounts, correct?

[illegible] was resulted, anyway, no payments [illegible] made?

[illegible]

[illegible] on this

A Well, on my own, and on Hin Hat Som too.

Q There is enough to pay off, is there?

A Not on the cattle that are presently marketable, no. It should pay off, oh, 25 to $30,000.00.

Q And you admit that there can be no justification for this co-operative association which was formed for the benefit of the farmers and ranches of Southern Alberta doing business with a ranch in British Columbia?

A That's right.

Q Now, is it, am I correct in saying that you had practically owned the feed on the Brandley ranch in the spring of 1963?

A In the fall of 1963 I would have.

Q Well, when you took the bill of sale?

A Yes.

Q But before that, you had, as you say, $17,000.00 some odd dollars in the feed?

A That's right.

Q Which would cover the value of what, a greater percentage?

A Well now, I haven't an idea exactly what the inventory ,would have been, but it would probably have been two thirds of the value at that time.

Q Because the bill of sale covered it all, did it?

A It covered an amount of $26,000.00 and some dollars.

Q Yes, but it itemized, the feed is itemized?

Well, on my own, and on this that Sam can.

There is enough to pay off, is there?

Not on the cattle that are presently marketable.

should pay of ob. 25 to $30,000.00.

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That's right.

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practically owned the feed on the Brandis

the spring of 1963?

In the fall of 1963 I would have.

Well, when you took the bill of sale?

Yes.

Six before that, you had, as you say, 81,000.

dollars in the feed?

That's right.

What would cover the value of what, a greater per-

- 1 -

idor correctly what the amounts

? Well approximate have been two

A Particular types, yes.

Q Yes. Well, would it cover all of Mr. Brandley's feed?

A As I say, I'm not sure what his inventory was. It covered what, at market price, would have been necessary for that sum.

Q I see. Well, do you know, did hehave any other barley, or baled hay, or so forth, on hand, or was that all of it?

A As I said, I don't know what is inventory was at the time, so I'm not sure.

Q Well, how did you arrive at this bill of sale, then?

A By taking market price of these goods.

Q Whatever it is. It doesn't matter very much, but what I was interested in was the itemized amount as set out in the bill of sale of the particular bales of hay, and the particular bushels of grain, but, however---was there any discussion between you and Mr. Brandley when he took on the Bullock cattle on the 10th of July?

A No.

Q Well, if youhad $29,000.00, or $25,000.00 at that time in the feed, how could Mr. Brandley expect to feed these Bullock cattle?

A I think they were grazing.

Q Just grazing?

A Yes, that's right.

portion a typos, yes.

Well, would it cover all of Mr. Pressley's early [illegible] say, I'm not sure what his inventory was. It covers what at market price, would have been necessary [illegible]

I see. Well, do you know, did he have any other [illegible] or bale hay, or so forth, on hand, or was it?

As I said, I don't know what is inventory [illegible] time, so I'm not sure.

Well, how did you arrive at this bill of sale? [illegible] by taking market price of these goods.

[illegible] however it is. It doesn't matter very much.

[illegible] I was interested in was the identity [illegible] at out in the bill of sale of the partic[illegible] or hay, and the particular bushels of grain, [illegible] ever--was there any discussion between you [illegible] present when he took on the Bulloch

Q And what was he going to do with them in the winter time?

A Well, it was never discussed with me. He had considerable grazing land, andI believe he took them in July, as the evidence turned out. It was never discussed with me, but most of those cattle were sold as breeding heifers. They were being bred that summer.

Q Well now, you took this bill of sale in October, in which, again I am asking you, do you think Mr. Brandley had any other feed besides the bill of sale?

A Yes, I would think that the inventory should have been higher than that amount.

Q You see, the Sheriff went out, you remember, doyou recall anything about the Sheriff going out there several times?

A No. These liens appeared, or these judgments appeared.

Q Well, let's see if we can find them here. I'm getting a bit mixed up, for the first time.

For example, on the 23rd of October, the Sheriff's report says that, Mr. Brandley advised me that both parties were aware that it would have effect--- that is the bill of sale, until all the writs had been satisfied. In order to satisfy the writs I understand Mr. Hinman is going to advance more money within the next two or three weeks. Then he and Brandley are going into a cattle feeding arrangement, whereby the feed

s he going to do with them in the winter

?

I. It was never discussed with me. He had some terrible
ning land, and I believe he took them in July, as the
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a bit mixed up, for the first time.

For example, on the 23rd of October,
the Sheri f's report says that, Mr. Brandley advised us
both that s were aware that it would have effect---
-- of sale, until
r to settle?

which is presently under seizure will then be used to feed cattle.

Then on the 19th of November the Deputy Sheriff again says, under affidavit, I interviewed Mr. Brandley at his home regarding his promise to pay off all the writs of execution filed against him. Mr. Brandley advised me that Mr. Hinman hadn't as yet advanced any further money. However, he had an appointment to meet Mr. Hinman in Calgary on Thursday, November 21st, at whichtime he was sure Mr. Hinman would make arrangements to advance the necessary funds to pay off the writs. He promised to call into the Sheriff's office that Friday afternoon to report the results of the meeting with Mr. Hinman. Mr. Brandley indicated that this matter would be cleared up in a few days after his meeting with Mr. Hinman.

Then again on the 22nd, of January 1964, the deputy sheriff states, I interviewed Mr. Hatch at Central Feeders office, Lethbridge, and asked him if Central Feeders had bought any feed from Noel Brandley of Monarch. Mr. Hatch advised me that Central Feeders had not bought any feed from Brandley, however they had cattle on the Brandley farm for feed. Mr. Hatch also advised me that the arrangements he had with Mr. Brandley and Mr. Hinman was that their share of the proceeds ofthe cattle, when sold, would be applied

on the writs of execution outstanding against Noel Brandley. He did say that the judgment of Ellison Milling had been paid as this creditor had become troublesome. Mr. Hatch said he would be in touch with Mr. Hinman within the next week, and he was sure the balance of the writs of execution would be paid shortly.

Now, those are reports of the Deputy Sheriff visiting Mr. Brandley from time to time during the fall of 1963. Now--

MR. WEIR: Your Honour, the bill of sale is right in front of you now.

THE COURT: Yes, right here. Now, this bill of sale is very definite. It says, 7,000 tons of baled hay, alfalfa, first and second cutting, and bales sweet clover. A thousand tons of sileage. 14,000 bushels of barley. The barley is located in the wooden granaries all located on Section so and so, granary number 1, granary number 2, granary number 3. 6,000 bushels of oats at 50¢ a bushel, the said oats located in one wooden granary, dimensions. 15,000 bales of straw at 10¢ a bale, located where they are.

Now, it is very definite, isn't it?

A Yes.

of the writs of execution outstanding against Brandley. He did say that the judgment of Blue Milling had been paid as this creditor had become troublesome. Mr. Hatch said he would be in touch Mr. Hi man within the next week, and he wa. sure balance of the writs of execution would be paid shortly.

Now, these are reports Deputy Sheriff visiting Mr. Brandley from time during the fall of 1963. Now--

MR WEIR: Your Honour, the bill on right in front of you now.

THE COURT: Yes, right here. Now, this of sale is very definite. It says, 7,000 tons baled hay, alfalfa, first and second cutting, bales sweet clover. A thousand tons of lim 14,000 bushels of barley. The barley is loose the wooden granaries all located on Section 20 wa as, granary number 1, granary number 2, granary number 3. 6,000 bushels of oats at 50¢ a bushel. The d in one wo. granary, dimensions, stack at 10¢ a sale, located where

Q Well, don't you think that covered all of his feed?

A I have no way of knowing, Your Honour.

Q No way of knowing, all right.

Well, in any event, here are these reports of conversations with Mr. Brandley and the sheriff, and I know sometimes people don't like to see the sheriff, and if they can stall a bit, well and good, until they get some money, that's not just Mr. Brandley does that, but the thing that is very much out of the ordinary is simply this, that you were talking about forming the company, Two Arrows Ranch. When was that first---

A In the fall of 1963.

Q In the fall of 1963. It was agreed---

A Yes.

Q Between you and Mr. Brandley?

A Yes. It was contingent upon us being able to negotiate some settlement with the bank and Mr. Williams.

Q That's right. And then after that temporary agreement, or agreement that depended on the bank and on Mr. Williams, Mr. Brandley used feeder money to pay the taxes, and to pay off these writs of execution, and then after that was all done, there's a transfer of this land to Two Arrows, is that correct?

A Yes.

Q Of which you now control?

Q. Don't you think that covered all of his tracks?

I have no way of knowing, Your Honour.

No way of knowing, all right.

Well, in any event, here are these reports of conversations with Mr. Brandley and the sheriff, and I know sometimes people don't like to see the sheriff, and if they can stall it, well and good, until they get some money, that's not just Mr. Brandley does that, but the thing that is very much out of the ordinary is and this, that you were talking about forming the certain Two Arrows Ranch. When was that first---

In the fall of 1963.

In the fall of 1962. It was agreed---

You and Mr. Brandley?

It was contingent upon us being able to negotiate settlement with the bank and Mr. Wil-----.

Right. And then after that temporary agreement, that depended on the bank and on Mr. Wilkins ----- money to pay the taxes, and to

A That's right.

Q Well, from the outside looking in, Mr. Hinman, it looks to me as if you have obtained the advantage of several thousands of dollars which you shouldn't have obtained. Now, that's frankly what is in my mind. That once you found out that Mr. Brandley was using Association funds to pay taxes and to pay writs of execution on lands which you subsequently control of, I have a feeling that you should have done something about it. Now, what do you think?

A Your Honour, this is not the approach which I recognized. I had no knowledge that they were charging the tax money to Mr. Brandley's feeder account. Already we had negotiated this feeding deal, which included C. D.M. cattle, and they were topay for feed. It included the Church calves, which were later put on feed, and Mr. Brandley told me he thought he would be able to get advances on that to pay the taxes and the writs. I had no idea they were charging them to his account, but they were advances on the feed that was going into these cattle, because that had been our agreement.

Q Well, that's the result, anyway, in any event.

A That is the result.

Q And you didn't think you should do anything about it?

A Well, I had, nobody mentioned this approach to me

A the outside looking in, Mr. Hinson, is lucky
as so I you have obtained the extraordinary interest
sums of dollars which you shouldn't have claimed.
that's frankly what is in my view. Just once you
up out that Mr. Brandley was using association income
ge taxes and to pay wife of corporation income while
subsequently control of. . . . . at you
have done something about it. Now, what is you

A - Honor, this is not the approach which . recommended.
had no knowledge that they were claiming
to Mr. Frankie . . . federal account. attorney w
d deport ated this feeding deal. which included
, cattle, and they were hungry for food. It included
Quench calves, which were lac.
told me he thought he could we make in
on that to pay the taxes and the wife.
he they were charging them we h
advances on the feed that was going into
because that had been our eq. account.
really, anyway, in any event.

until I heard it here.

Q Well, you saw Mr. Brandley's account, you knew that the executions hadn't been paid off?

A Yes.

Q And you knew the taxes hadn't been paid off?

A I did.

Q And that was all done within the period of time between when you had agreed to form a company, subject to the approval of the bank, and the approval of Williams, and the time in which you did transfer the land?

A But you will recall, Your Honour, that Mr.Hatch had made these feeding arrangements, and was to advance money to pay for the feed, and to this date I have never received the balance of that money, though all the feed went into them. Consequently, I have no way of knowing that they were charging this feed to Mr. Brandley's account. These should have been advances on the feed being fed on those contracts.

Q Well, have you any idea of what your equity in Two Arrow Ranches is now?

A Yes.

Q What is it?

A In clear equity, it is the value of $1.00 per share, and beyond that,I have advanced about $28,000.00 to the company.

Q That is in the bill of sale?

Q.

would I heard it here.

Well you saw Mr. Breadley's account, you have i m ma' expenditure hadn't been paid off?

Yes.

And you knew the taxes hadn't been paid off?

I did.

And that was all done within the period of when you had agreed to form a company, subject to approval of the bank, and the approval or within the time in which you did transfer the land?

But you will recall, Your Honour, that Mr.Ma these feeding arrangements, and was to advance Mr pay for the feed, and to this date I have n the balance of that money, through all the lots you have. Consequently, I have no way of knowing that were charging this feed to Mr. Breadley's account. They should have been advances on the feed being loaned these interests.

Well do you any idea of what your equity in Two Mrem

A No, it's not in the bill of sale.

Q Oh. Well, you have advanced $28,000.00, the bank has been paid off?

A That's right.

Q And then the whole mortgage has been paid off?

A That's right.

Q And you have this ranch, what is it, 2500 steers?

A Its about that.

Q With clear title subject to the Prudential Mortgage of 113---

A That's right.

Q And equipment?

A Subject to certain indebtedness.

Q You have placed no value on that?

A Have placed no value---

Q On the whole estate now?

A I'm not sure I understand what you mean, have we placed a value on it.

Q On the farm and on the equipment?

A Yes.

Q What do you think it is worth?

A I think it is worth about $150,000.00.

Q That is the farm and the equipment?

A That's right.

Q So that there is a possible equity of about $7,000.00 then, is there?

Q. It's not in the bill of sale.

Well, you have advanced $28,000.00, the bank has [illegible] off?

[illegible]

And then the whole mortgage has been paid [illegible] a right.

Q. You have this ranch, what is it, 2802 [illegible]

A. Its about that.

Q. Is close title subject to the Prudential mortgage [illegible]?

A. That's right.

Any equipment?

[illegible] to certain indebtedness.

Q. You have placed no value on [illegible]

A. [illegible] placed no value---

Q. On the whole estate now?

A. I'm not sure I understand what you mean. [illegible] placed [illegible] on it.

Q. [illegible] on the equipment?

A That's right, approximately that.

Q Yes. What do you think the land is worth?

A Well, I value the land at $120,000.00, and we went by---

Q Well, how did you get a mortgage for $113?

A Because I put into the mortgage 540 acres of very good land at Glenwood.

Q Oh, you put your Glenwood farm into the---it is covered?

A It's covered.

Q The mortgage covers it?

A The same mortgage.

Q I see. Well, thank you very much, Mr. Hinman.

A Thank you.

THE COURT: We will adjourn until 2:00 O'clock.

MR. WEIR: Your Honour, will Mr. Hinman be wanted this afternoon?

THE COURT: No, not necessarily, unless he wants to listen to Mr. Sommerfeldt.

(HEARING ADJOURNED AT 12:35 TO RESUME AT 2:00 O'CLOCK ON SAME DAY)

right, approximately that.

Yes. But do you think the land is worth?

Well, I value the land at $120,000.00, and was --

Well, how did you get a mortgage for $112?

Because I put into the mortgage 340 acres of very good land at Glenwood.

Oh, you put your Glenwood farm into the--it is covered? It's covered.

The mortgage covers it?

The same mortgage.

I see. Well, thank you very much, Mr. Hinman.

Thank you

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want to listen to Mr. Sommerfeldt.

(ADJOURNED AT 12:35 TO RESUME AT 2:00 O'CLOCK

MR. WEIR: Mr. Sommerfeldt.

FERDINAND RICHARD SOMMERFELDT,

having first been duly sworn, examined by Mr. Weir, testified as follows:

Q You are Mr. F. R. Sommerfeldt?

A That's right.

Q I didn't hear you when you were giving your first names, what are they, please?

A Ferdinand Richard.

Q And you are referred to as Dick?

A That's right.

Q Are you the same Mr.Sommerfeldt that has been referred to this morning and yesterday in connection with the Hin.Hat. Som. Ranch Ltd.?

A That's right.

Q Were you present throughout Mr. Hinman's testimony this morning, and yesterday afternoon?

A Yes.

Q Are you satisfied that the items that we went over specifically with Mr. Hinman that involved the Hin.Hat.Som.Ranch Ltd.?

A Well, I think most of them, yes.

Q Well, the specific items that Mr. Hinman was satisfied with, are you satisfied with those specific items, as well? There were some items, as you will recall, that he wasn't knowledgeable on, but the ones that he referred to as being satisfied with, are you satisfied with those?

[illegible] Mr. Sommerfelds.

[illegible]

FERDINAND RICHARD [illegible]

having first been duly sworn, examined by Mr. [illegible] [illegible] as follows:

[illegible] Mr. F. R. Sommerfeldt?

That's right.

I didn't hear you when you were giving your first names [illegible] what are they, please?

Ferdinand Richard.

And you are referred to as Dick?

That's right.

Are you the same Mr.Sommerfeldt that has been [illegible] a morning and yesterday in connection with [illegible] Com. Ranch Ltd.?

[illegible]'s right.

Were you present throughout Mr. Hammond's examination [illegible] morning, and yesterday afternoon?

[illegible] satisfied that the items that we were over specifically [illegible] Hirsch that involved the Min.Mat.Com.Ranch Ltd.?

[illegible] most of them.

[illegible] sent filed

[illegible]

[illegible] that [illegible]

referred to as be[illegible]

[illegible]

A Yes, I believe so.

Q There are a number of cash advances to Double Triangle Ranch with your signature on the back of the cheque, endorsed by you. You acknowledge those? Would you like to look at some of the cheques?

A It might be a good idea.

Q Okay. Let's pick a cheque at random, this cheque for $16,975.00, dated October the 2nd, this is actually payable to Hin.Hat.Som. Ranches Ltd. Is this your signature on the back of that cheque?

A Yes.

Q Just as a matter of interest, would you have been present when this cheque was filled out for this amount of 16,900 and, as you see, it's not written in for $75.00, it says and 75¢ in the written portion, were you there when this cheque was prepared?

A Not that I remember of it, no. That was when, October?

Q October the 2nd, 1963.

A No, I don't believe I was.

Q Now, Mr. Hinman, as I recall, indicated that this specific cheque was to pay off a note of an account at Cranbrook, is this your understanding of this cheque?

A It could have been. I couldn't---

Q Well, you endorsed the cheque?

A Yes.

Q Don't you recall endorsing a cheque when it is in the amount

1298 -

believe so.

a number of cash advances to Double Triangle

n your signature on the back of the cheque,

by you. You acknowledge these? Would you like

as some of the cheques?

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72: 00. dated October the 2nd, this is a cheque

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n she's cheque was prepared?

; I remember of it, no. That was when, October?

ber the 2nd, 1963.

Yes, I believe I was.

as I recall, indicated that this open lin

n a off a note of an account at Grandbrook, is

g of this cheque?

of 16,000 some odd dollars?

A Well, yes. There was one cheque, there were two cheques that I endorsed and sent them back to Mr. Hatch.

Q Well, would you have endorsed this cheque and sent this cheque back to Mr. Hatch?

A This, I don't know. The only way I could tell that is to go back through my, where I deposited money in the bank.

Q Well, you see the date of this cheque?

A Yes.

Q And you see the date stamped on the back of the cheque, this October 3rd---

A October 3rd.

Q 1963, the following day?

A Yes.

Q Well, in looking at the back of this cheque, and considering the large amount of this cheque, what would you recall that you did with this cheque?

A I don't know. I may have deposited it in Cranbrook, I am not sure. I would have to check to say definitely, but it appears that it was.

Q Mr. Hinman, I believe, indicated that this was involving a note, I don't believe he mentioned your name as being one of the guarantors on that note. Did you sign any notes, yourself, at this bank in Cranbrook?

A Oh, I am not too sure whether I signed that particular note or not.

Q Did you sign any was my question, involving Hin.Hat.Som. Ranch, or the Double Triangle Ranch, or just Hin.Hat.Som. Ranch?

A Not that I remember of, no.

Q Can you recall signing any note, as guarantor for any note signed by Hin.Hat.Som. Ranches Ltd., or simply on behalf of Hin.Hat.Som. Ranch? Any guarantee of your own?

A I don't recall any at the present.

Q Well, here is the cheque that I actually didn't go over with Mr. Hinman, mainly because I couldn't find a specific entry to refer to, although I am not doubting that it is accounted for somewhere, and it is dated, as you see, there is a couple of dates, and they are struck out, one of them is December, struck out, and then there is some initials, it looks like, S. W. H., those initials?

A Yes.

Q And this one is dated, eventually dated, at least, February 8th, 1963, it is payable to the Double Triangle Ranch for $2,000.00, and the written portion is the same, and there is an endorsement on the back of that cheque. Do you recognize that endorsement?

A Yes.

Q Whose is it?

A Mine.

Q Would you make the request for this money? Who would decide that money should go to the Double Triangle Ranch? You're on

the ranch, would you be asking for it, or what?

A Well, I was managing the ranch, I am managing the ranch, and my, as was stated here, the contracts are mine, and they were to stock the ranch, and any time that I needed money for operating expenses, why, Mr. Hatch told me that this would come in.

THE COURT:

Q What would you do, phone up and tell him to send you up a thousand or so?

A Sometimes. Sometimes I'd phone up and tell him we need money to operate this ranch on.

MR. WEIR:

Q Would he ever just casually send you a cheque in the mail without your asking for it, on any occasion?

A Yes, sometimes. There has been some sent.

Q Well, we won't go over every cheque, but let's have a look at this one, March the 25th, 1963, payable to Double Triangle Ranch in the amount of $6,000.00 by the Association, and this particular one, as the last one, I believe--- No, I'm not sure of the last one, this particular one, at least, is charged to the Ted Hinman account. Whose endorsement is on the back of that cheque?

A That's mine.

Q Now, would you ever receive a cheque in an amount like $6,000.00 without requesting it?

A Oh, we would have talked it over first, that's for sure.

Q Who would have?

THE COURT: Where was it deposited, Mr. Weir? On the back I see a bank endorsement.

MR. WEIR: Well, this is in Cranbrook.

THE COURT: Yes.

MR. WEIR: Canadian Imperial Bank of Commerce, Cranbrook.

THE COURT: Well, it would be cashed or deposited in Cranbrook?

THE WITNESS: That's right.

THE COURT: Yes.

THE WITNESS: Yes.

MR. WEIR:

Q You said, we would discuss it. Who, you and Mr. Hatch?

A Well, as a rule, what we would do is, Mr. Hatch would come in and he would want to know if there was anything he could help with, and I would say, well, if I had any problems I would let him know, and if not, well, pass the time of day and he would go home, but whereas, when this particular cheque here, most any of them, why, he would ask how the finances were holding out, and I could show where the money was going, and what it was going for, and he said, well, it looks like you need some more money in the bank, so I would get another cheque.

Q You would discuss, together, the amount of the cheque, or the amount that the cheque should be?

A As a rule, yes.

Q Well, you endorsed these cheques and deposited them in this account at Cranbrook, what would you use the money for? Would they be always for operating expenses of this Double Triangle Ranch?

A Oh, that, it would be for veterinary supplies, and---

Q No, that's what I mean, strictly in connection with this ranch?

A Yes, that's right.

Q For no other purpose?

A No.

THE COURT:

Q Did Mr. Hatch, you said you sent some cheques back to him. What did you mean by that?

A Well, there was two, I believe, came to me, and there was one from the sale of calves, this came back to me and I just endorsed it and sent it back to Mr. Hatch.

Q Well, where was the cheque, from whom was the cheque?

A The Feeders.

Q From the Feeders.

A I think the stock was sold to them, I am not sure, but I believe they were, and that's what I, I keep wondering about this, that's why I was wondering about that $16,000.00 on there, but whether that was the cheque or not, I don't know, but apparently that one went through Cranbrook.

Q Yes. Well, are you suggesting then, that there are some

cheques that didn't go through Cranbrook, that were sent back to Mr. Hatch?

A Unless he came in and put them through, I don't know about that, but I did send back two, I am quite sure of that.

MR. WEIR:

Q You said that you weren't sure whether that was the cheque, when you looked at the $16,000.00 cheque. Would you have a cheque in an amount such as $16,000.00 and hand it over to Mr. Hatch?

A Oh, it was, I couldn't say the exact amount, but---

Q Well, I mean, in that vicinity, that is a lot of numbers, $16,000.00.

A Oh, it would be a fairly sizeable cheque, but I don't know whether it was that much. I can find out, though.

THE COURT:

Q And that was for the sale of calves?

A We sold some calves. This was last fall, a year ago.

Q A year ago. Well, there is a cheque here credited to your account for $3,554.76, for 26 cows, that would be---

A Yes. We sold 26 or 28 cows, and we sold about 70 or 80 heifer calves.

Q Well, that's the point. Now, what you are talking about, you were talking about calves, so this cheque wouldn't refer to the calves?

A No, that wouldn't refer to calves.

Q That refers to cows.

cheques that didn't go through Crawbrook that were sent back to Mr. Hewson?

Unless he came in and put them through? I don't know about that, but I did send back two, I am quite sure of that.

MR. WHITE:

You said that you weren't sure whether that was the cheque, when you looked at the $16,000.00 cheque. Would you have a cheque in an amount such as $16,000.00 and hand it over to Mr. Hewson?

Oh, it was, I wouldn't say the exact amount, but--

Well, I mean, in that vicinity, that is a lot of numbers, $16,000.00.

Oh, it would be a fairly sizable [illegible] I don't know whether it was that much. I can find out.

THE COURT:

And what was for the sale of calves?

We sold some calves. This was last fall, a year ago. A year ago. Well, there is a cheque here credited to your account for $3,554.[illegible] for 26 cows, that would be--

Yes. We sold 26 or 28 cows, and we sold about 70 or 80 heifer calves

Well, that's the point. Now, what you are talking of [illegible] heifer[illegible], so this cheque [illegible]

A Well, they must have come back in two cheques then.

Q Well, there is no credit here, except for December 11th, for 13 heifers, doyou remember that, $939.00?

A That we sold?

Q Yes.

A 13 heifers.

Q 13 heifers, and there is only three credits in your account, 3 heifers on October 31st, for $354.00, 26 cows on October the 30th, for $3,554.76, and 13 heifers on December the 11th, $939.00.

Now, you say in addition to that there were about 70 calves sold?

A Yes, there was around 70 heifer calves sold.

Q 70 heifer calves. Well now, let's look in Mr. Hinman's account and see whether they might be in there. You say in the fall of 1963?

A No, Stu was supposed to take all this money.

Q Well, what was he to do with it?

A Well, I don't know. That was up to him.

Q Well, there is no credit in Mr. Hinman's account. There is no credit in your account.

A No, I'm sure Mr. Hinman didn't get that.

Q No. Of course, he didn't know he was charged with a lot of these things either, but there is no credit in there of any amount in his account either. So you say there is 70 calves missing, according to the records, so far as we can see.

A That's right.

Q They may turn up. And when did you sell them, do you figure?

A I would think it would have been around the 1st of November.

Q First of November.

MR. WEIR:

Q Of 1963?

A That's right.

THE COURT:

Q And they were sold through the Feeders?

A I don't know whether they were sold through, I thought they were, in fact I am quite they were.

Q Where were they delivered?

A They were sold at Cranbrook.

Q Sold at Cranbrook through the---

A Now, wait a minute, maybe somebody bought them, maybe that's where these two cheques came in, but I'm sure the one was a Feeders cheque that came in.

Q Well, there is this 3500, but the point is, whatever happened to the, whether it was sold privately or not, Hin.Hat. should have got---

A Well, they were sold at a sale, so we can check it with that.

Q At Cranbrook?

A That's right.

Q Yes. But they were Hin.Hat. calves?

A That's right.

They may warm up. And when did you sell them, do you figure?

A I won't think it would have been around the 1st of November, first of November.

MR. WEIN:

Of 1969?

That's right.

THE COURT:

And they were sold through the Feeders?

I don't know whether they were [illegible] were, in fact I am quite they were.

Where were they delivered?

They were sold at Cranbrook.

Sold at Cranbrook through the---

Now, wait a minute, maybe somebody bought them, maybe there's where these two cheques came in but I'm sure the one was a Feeders cheque that came in.

Well, there is this $500, but the point is, wherever has to the weather it was sold privately or not, Mr. Hart, you have got---

Q Belonging to you, and to Mr. Hinman, and to Mr. Hatch?

A That's right.

Q That's right. Because that is the thing that was sort of strange about this account, is that there is lots of expenses and no income.

A Well, that, I don't believe Mr. Hinman mentioned this, but all steer calves were held back, you see.

Q Yes.

A And we just got rid of the heifers.

Q But at least 70 heifers would be worth what, $7,000.00?

A Oh, somewhere in that neighborhood.

Q $7,000.00. $100.00 be a reasonable---

A They may have brought that much. They were somewhere in that neighborhood, 90 to 100 I would say.

Q Yes, alright.

MR. WEIR:

Q And you would have endorsed this cheque that you are referring to, for these calves, and turned it over to Mr. Hatch?

A That's right.

Q Were there any more cheques that you can recall doing this same type of---

A No, it just seems like there was two.

Q There was another one too?

A Yes.

Q There was another one in addition to this one that you

to Mr. Hinman, and to Mr. Weir?

Please that is the thing that was sort of
a account, is that it's - lots. I
know

believe Mr. Hinman mentioned this.
we were held back, you see.

A And we just got rid of the batteries.

Q But to lease 70 batteries would be worth what $7,000,000?

A Oh, somewhere in that neighborhood.

Q $7,000.00. $100,00 be a reasonable---

A They may have brought that much. Just were somewhere in
that neighborhood. 90 to 100 I would say.

Q Yes, alright.

MR. WEIR

Q And you would have endorsed this check just as you are
for these salves, and

Mr.

The

Were there any more checks that you can recall doing
this same type of---

are referring to?

A Well, that's what runs in my mind. There were two that I signed.

Q Now, this other cheque, would it be closer then, to this other cheque that we have been discussing in the amount of $16,975.00?

THE COURT: No, I think he is referring to 3554.

MR. WEIR: No, we were originally referring, Your Honour, to a cheque in the amount of $16,975.00, and he wasn't sure whether that cheque---

THE COURT: Well, Mr. Hatch didn't endorse that, did he?

THE WITNESS: No.

MR. WEIR: No. Mr. Sommerfeldt endorsed it.

THE COURT: Yes.

MR. WEIR: Mr. Sommerfeldt said that he endorsed this other cheque of 7,000 too.

THE COURT: Oh.

MR. WEIR:

Q Did you not say at that time that you thought, I think you have testified earlier this afternoon that you thought there was another cheque that you endorsed and handed over to Mr. Hatch, and it was a rather substantial cheque in the similar amount, or close to this 16,000 some odd dollar cheque?

A That's right, but I don't believe it was that 16,000 one now, because the amount of stock that was sold wouldn't have, and by signing two cheques there couldn't have been another one that big that I signed and turned back to him.

Q I see. So then, the two cheques that you endorsed on behalf of Double Triangle Ranch, or Hin.Hat.Som. Ranch, or Hin.Hat.Som. Ranch Ltd., and you turned over to Mr. Hatch, these two cheques would have totalled approximately $16,000.00?

A Well, I figure about 10,000, somewhere in there.

Q Somewhere around $10,000.00?

A Yes.

Q Now, you heard Mr. Hinman outline to us his understanding of Mr.Hatch's proposed financial investment in order for Mr. Hatch to come into what we now know is Hin.Hat.Som. Ranch Ltd.?

A Yes.

Q Do you understand it to be in the same way, or have you any amendments that you wish to make in your understanding of this?

A Well, the way I understood that was that Mr. Hatch was to come in, he said that he had a certain amount of cattle of his own that he was going to put in, and he said that he had some money of his own that he was going to put into it, and this was all that we knew. It was his money and his stock that was going in there to begin with.

[illegible] trust. But I don't believe it was just 15,000 one
note, because the amount of stock that was sold wouldn't
have, and by signing two checks there couldn't have been
another one that big that I signed and turned back to him.

Q I see. So then, may I assume that you endorsed on
behalf of Jones Trading [illegible] or Min.Hat.Com. Ranch,
or Min.Hat.Com. Ranch? Yes. And you turned over to
Mr. Hatch, the [illegible] you totalled approximately
$10,000.00

A Well I figure [illegible] are in there.

Q somewhere around [illegible] 000.00?

A Yes.

Q Now, you recall Mr. Hinkson [illegible] on his redemptions
of Mr.Hatch's broker's financial [illegible] in order for
Mr. Hatch to come into that we now know is Min.Hat.Com.
Ranch?

Yes.

Q Do you understand [illegible] to be in the same way, or have you
your understanding

Is this my understood that was that Mr. Hatch [illegible]
said that [illegible] had a certain amount [illegible]

Q And the specific amount that he was going to have to contribute, do you recall what Mr. Hinman said on this, do you recall it as being the same as that?

A I don't remember what the amount was there that you asked Mr. Hinman.

Q Well, Mr. Hinman, as I recall, indicated that Mr. Hatch was to pay Mrs. Leighton approximately $27,000.00, in that category.

A Well, that part there, I don't know that part there.

Q You don't know that particular part of it?

A No, no.

Q The part, in addition, that Mr. Hatch was to pay for the 1962 and 1963 winter operations, I believe, of Hin.Hat. Som. Ranch.

A Well, this is where he said he had enough money to carry on, and to put more stock in.

Q And the part referring to the stock. Do you recall a specific number of head of 500 being mentioned---

A Yes, yes. We said we had to have 500 head to operate properly, and, because the ranch will handle 800 head, so we had figured it out to where we needed 500 head.

Q Do you recall Mr. Hatch saying anything along these lines as to whether he could or could not complete this particular undertaking?

A Oh, no. I don't think that he, I don't believe that he said he could put on another 500, but as Mr. Hinman said,

he already had 210 there, and this meant we needed another 300.

Q Who already had 200?

A Mr. Hinman and Doug Leighton, when they first came in.

Q I am not sure I follow you. What, in addition, did you understand Mr. Hatch was---

A Well, we had 210 in there.

Q Okay.

A As was stated.

Q Yes.

A And we needed an additional 300.

Q Approximately, yes.

A To make it 500.

Q Okay. In your conversations with Mr. Hatch did you understand that he was going to put up these 300 steers or heifers?

A Well, I don't know that he was going to put in the whole 300, but he was going to try to get as many as he could, however many he had, I didn't know.

Q Okay. Now, it has been suggested that Mr. Hatch was going to have to pay Mrs. Leighton approximately $27,000.00, and we have been told as to the terms, as to how it was going to be paid. Would you give us a brief outline of your financial investment in Hin.Hat.Som. Ranch Ltd., or in the partnership?

A Well, to start with, I have the leases.

210 shows, and this year we needed another

Who already had 210?

Mr. Hutch [illegible] Leighton, when they first came in.

I am not sure I follow you. Then, in addition, did you understand Mr. Hutch was---

A Well, we had 210 in there.

Q Okay.

A As was stated

Q Yes.

A And we needed an additional 300.

Q Approximately [illegible] ea.

A [illegible] make 15,000.

Q Okay. In our conversations with us, Hutch did you understand that he was going to put up those 300 shares

Well, I don't know that he was going to put in the whole 300. But he was going to try to get as many as he could, however many he had. I don't know.

Now, it has been suggested that Mr. Hutch was a to have to pay Mrs. Leighton approximately $27,000.00, and we have been told as to the terms, as to how it [illegible] paid. Would you give us a brief outline of [illegible] in Hin.Hat.Com. E.com Ltd., or

Q And approximately how much would the leases be worth?

A 19,000 acres, and they are worth $190,000.00, if I'd like to sell them I could do that.

Q You could sell them for how much?

A 190,000, $10.00 an acre.

Q And yet, you were prepared to see somebody else come in and share in what you had when he was paying approximately $27,000.00 and these other things that were mentioned which were going to have to be repaid?

A Well, when this thing started up I had the leases, I didn't have enough stock to stock it, and I had made arrangements with another partyto put cattle in there on shares, and then when I was asked if I would like to take another partner, or take a partner, I says, it depended who it was, and I was told who it was, and I said, "Fine, that's okay by me".

Q Who was this, now?

A Mr. Hinman.

Q This was Mr. Hinman, okay.

A And so then---

Q And who did you have this discussion with?

A With Mr. Hinman.

Q With Mr. Hinman?

A That's right.

Q So then, Mr. Hinman entered into this venture with you?

A That's right.

Q When does Mr. Leighton appear on the scene?

And approximately how much would the leases be worth?

19 000 acres, and they are worth $190,000.00. If I'd like to sell them I ...

And yes, you were prod...

and share in what you had when he was paying approximately $27,000.00 and ... some things that were

were going to have to be repaid

Well, when this thing started up I had the leases, I didn't have enough stock to stock it. And I had made arrangements with another party to put equity in there on shares, and then when I was asked ... I would like to take another partner, or take a partner ... says, I suspended who it was, and I was by me".

This was Mr. Himmer

And so then--

And who did you have this discussion with?

A Well, shortly after Mr. Hinman asked me if I would like to have another party in because we felt it would be better, that three would be better than two, because, well, if two people get together and can't see eye to eye you need a third in there to, usually two will see it one way, or two out of the three will, so, therefore we decided to take another partner.

Q How much did you say those leases were worth to you again? How much did you say, 190,000, did you say?

A That's right.

Q I understood from Mr. Hinman that you owed him some money on your share, in addition, I may have misunderstood, but---

A Well---

THE COURT:

Q Didyou put these leases into the pot, at all?

A No.

Q Alright. Were you going to, were they going to pay you rent?

A If the stock had been put in there like it was supposed to be, the thing was to be fully stocked, I would turn over the leases, and then I was to get a share of the stock, they would get a share of the leases, but this had never been done.

Q Never been done. So you owned the leases, yourself?

A That's right.

Q No one else had any interest in them?

A No.

MR. WEIR:

A Well, shortly after Mr. Hinmes asked me if I would like to have another party in because we felt it would be better, that three would be better than two, because, well, if two people get together and usually see eye to eye you need third in there so, usually two will see it one way, or two out of the three will, so, therefore we decided to take another partner.

Q How much did you say these leases were worth to you again? How much did you say, 190,000, did you say?

A That's right.

Q I understood from Mr. Hinmes, not you over him some money on your share, in addition. I may have misunderstood, Mr---

THE COURT:

Q Didyou put these leases into the pot, or all?

No.

Q Alright. Were you going to, were they going to pay you rent? If the stock had been put in there like it was supposed to be, the thing was to be fully stocked, I would turn over leases, and then I was to get a share of the stock, they would get a share of the leases, but this had never never been done. So you owned the leases, yourself?

Right.

Q What else did you own in this investment, in addition to---

A Well, I took in approximately $10,000.00 worth of machinery, and some hay, and, oh, a couple thousand dollars cash.

Q Well, are you suggesting to me now that you had an investment of somewhere in the vicinity of $200,000.00 or over, and yet you were prepared to see Mr. Hatch come in as a third partner, or---

THE COURT: No, no, he just told me that he didn't put the leases in. They weren't in the thing, at all.

MR. WEIR:

Q They were going to be eventually turned over, though, were they not? Wasn't this the understanding?

A Once it was stocked to capacity, or to my satisfaction, yes.

Q And you were going to turn it over?

A Then, yes.

Q And was there a figure discussed as to how much you were going to receive when and if you did transfer the leases over to Hin.Hat.Som. Ranches Ltd.?

A Well, then wewould all be third owners.

THE COURT:

Q Well, 800 cattle at $200.00 apiece, even, would be $160,000.00, wouldn't it? Am I right in my---

A About that, yes.

Q Well, How are you going to surrender $190,000.00 if two other people put in just 160? You're putting in 190 and they are putting in 80 each.

A That's right. Well, here's what a lot of you can't understand, but---

Q Leases aren't any good without the cattle, is that it?

A That's right.

Q Alright.

A So I was prepared to do this in order to get the thing stocked, and it amounts to this, the leases without the stock, I can't make any money, so, if the thing was stocked I was willing to cut it in on that share, and to have a third of the stock.

Q Okay.

A And over a period of 20 years, why this would have paid out, and the money would have come back.

Q Providing that stock was clear, of course?

A That's right.

Q Yes.

MR. WEIR:

Q Was it your understanding that you were going to have to pay one-third, or some portion for this stock?

A Well, we hadn't discussed too much about this.

Q I may be misunderstanding, but I understood that that is what was going to happen, when Mr. Hatch, when and if he put sufficient number of stock in, that he would be repaid for this. I assume that this would be by the other two of you--

A He would, if he had any coming, yes.

Q Well, would you be contributing something, some monies in

That's right. Mr. [illegible], Memorial [illegible] - Isn't of you can't understand [illegible] but---

Leases aren't any good with [illegible] first [illegible] in that [illegible]

A That's right.

Q Alright.

A So I was prepared [illegible] rather [illegible] see no [illegible] stocked, and it [illegible] [illegible] without the stock I can't take [illegible] [illegible] stocked [illegible] was willing to cut it in on that basis. [illegible] have a third of the stock.

Q Okay.

A And over a period of 20 years [illegible] would have paid out, and the more, would have come [illegible]

going to have to [illegible] one-third, or even partner for this stock.

A Well, we hadn't discussed too much about this. I may be misunderstanding, but I understood that that [illegible] to [illegible] Mr. [illegible] Ha ch, when and if he got number of stock in, that he would be [illegible] [illegible] be by the other [illegible]

addition to this cost?

A If he put in enough stock to offset what I had in it.

Q Offset what you had in it, over and above the leases?

A Okay, maybe the leases are worth $190,000.00, I had $200,000.00 equity with the machinery, later on maybe I would have been willing to sign over to them for a third of 800 cattle, I may have signed over two-thirds for a third clear.

Q Yes.

A I don't know, yet.

Q What was the rental on these leases?

A Oh, it runs about $6,000.00 a year.

Q And how long a lease---

THE COURT:

Q Is that the $6,000.00 by any chance, that you would pay on March 25th?

A Oh, it's hard to say whether that went into that or not.

Q Well, is it reasonable?

A Could have, some of it could have been used for it.

Q Well, you say 6,000, and here is a cheque for 6,000.

A Well, it amounts to, somewhere in that neighborhood. It's 5,000 some hundred dollars.

MR. WEIR:

Q How many---

THE COURT:

Q Is that when the lease, I'm sorry, is that when the lease

is due, in March?

A No, it is due in April.

Q Alright. It's March the 25th.

A Could have been then.

MR. PROWSE: Is that 1963, or---

THE COURT: 1963, yes.

MR. WEIR:

Q How many years has this lease to go now, when will it expire?

A 1981, or 82.

Q This ranch is called the Double Triangle Ranch at times, and other times something else.

A Well, to start with, I had to have some way of putting the money in the bank. I didn't want to put it in in my own name, so I put it in as Double Triangle, because this is what the cattle are branded with, and that is the way I deposited the money.

Q On all occasions? Well, don't forget this cheque here. This cheque appears to have been made out to Hin.Hat.Som. Ranches Ltd., and it is endorsed as such, Ltd., and deposited in British Columbia.

A That's right.

Q Now, did you have two bank accounts, one Double Triangle Ranches, and one Hin.Hat.Som. Ranches Ltd., in Cranbrook?

A I had the Double Triangle, and then later we opened an account as Hin.Hat.Som. This was after Mr. Hatch came in.

A I.

Q Alright. Tell Mrs. Lie as

A Could have been 81.

MR. PROWSE: I just [illegible]

THE COURT: 1983.

MR. WEIR:

Q How many years has this east [illegible] been [illegible] will it explode?

A 1981, or 82.

Q This trench to wall [illegible] was using [illegible] from 16 meter or [illegible]

A [illegible] 83 [illegible] 0 [illegible]

same, so I put it in as Double Jacket, because this [illegible] what the castle was braided wire and that is the way [illegible]

this chapter here.

Q This chapter appears to have been made out to Air.Hat.Com. [illegible] Ltd., and [illegible]

[illegible] 2 two bank accounts, one Double T [illegible]

Q Did you still carry on the other account? I imagine you did. There are cheques here.

A Oh, for a short period there, we were wondering what to call it, and then finally the idea came up of using the first three letters in each of our names, and that's how the Hin.Hat.Som, so that's why the account was opened in that, but to begin with, why, some of them could have been deposited in Double Triangle just to keep a record of it.

Q Mr. Hinman suggested that this was to pay off a note, I believe, this particular $16,975.00. I take it then that the bank account, at least the bank account, whether the note was or was not in this name, but at least the bank account in which this particular large cheque was deposited that we have just discussed, must have been in the name of Hin.Hat.Som. Ranches Ltd.?

A It could have been, I don't remember.

Q Did you have any conversation with the Bank Manager about this particular account in British Columbia? You see, the point I am getting at is that we have heard Mr. Hinman testify to the fact that Hin.Hat.Som. Ranches Ltd., although an Alberta company, is not registered in British Columbia.

A Well, that's what I understand, yes.

Q Did the Bank manager in Cranbrook, British Columbia, ask whether it was or was not registered?

A I don't know that he did, I don't know that he cared about it.

THE COURT:

Q Did you still get on the other account? I imagine you did. There are clerks here.

A Oh, for a short period there, we were moderation wear to call it, and then finally the idea came up of using one first three letters in each [illegible] to track the Hin.Hat.Son [illegible] account was opened in that, but to begin with, [illegible] have been deposited in South. A state [illegible] "reed" [illegible]

Q Mr. Hinman suggested that this was [illegible] I believe, this particular [illegible] 75.00. [illegible] that the bank account [illegible] at least [illegible] the note was or was not [illegible] at least [illegible] account in which the particular [illegible] was deposited that we have just discussed, must [illegible] the name of Hin.Hat.Son. Hatch [illegible].

It could have been. I don't remember.

Did you have any conversation with the [illegible] Manager about this point [illegible] account in Hull [illegible] Do you see, the point I am [illegible] is that we have heard Mr. [illegible] testify to the fact that Hin.Hat [illegible] Mr. Hanover Hat. [illegible] on this [illegible] company, is not registered in British Columbia [illegible] with what I understand. Yes.

[illegible] bank manager [illegible] Brockville, British Colum[illegible] not registered [illegible]

Q I find that when Limited companies do business with the bank, Mr. Sommerfeldt, the bank manager is very worried to see that people who are suggesting that they have power to do business for a limited company really do, and they want copies of memorandums, and articles, and signing authorities, and minutes, and resolutions, and all that.

A Well, he had signing authorities, this is true.

Q And resolutions?

A But as far as the question that you asked there, I don't know about that.

MR. WEIR:

Q I believe Mr. Hinman has testified, I can't recall who else guaranteed this note in question, but I believe Mr. Hinman said he guaranteed this particular note that, I guess, was signed by Hin.Hat.Som. Ranches Ltd., did you tell us as yet as to whether or not you signed, I guess you did, whether you signed any notes on behalf of Hin.Hat. Som. Ranches?

A Well, I don't think I signed the note. I don't remember of it.

Q Do you know that Don Nilsson was supposed to have, at least at one time, a half interest in Mr. Hatch's one-third interest in Hin.Hat.Som. Ranches Ltd.?

A I didn't to begin with, but I found out later that he did.

Q When did you find this out?

A Oh, one time Mr. Hatch brought Mr. Nilsson up, and he was

A. That when Limited company is business with one
[illegible], Mr. Commercial. The bank manager [illegible] a very worried
to see that people who are supp-
power to do business for a limited company really so, and
they want copies of memorandums and articles and signing
authorities and minutes, and resolu[illegible]s, and all that.

know about that.

MR. WEIR:

Q. I believe Mr. Hyman has resigned. Just recall who
else has served this note? [illegible] believe
Mr. Hyman said he guaranteed this particular note that,
I guess, was signed by Van.Hac.Son. Ranches Ltd., did you
call us as yet as to whether or not you signed. I guess
you did. Whether you signed any notes on behalf of Van-Has.
Son. Ranches?

A. Well, I don't think I signed the note. I don't remember
of it.

Q. I know that Don Mitsson was supposed to have, at
time, a half interest in Mr. Hatchis one-third
Van.Hac.Son Ranches Ltd.?

A. [illegible] again wd ih, but I [illegible]
[illegible]?

showing him the stock there, and just saying how they looked, and then he introduced me, and told me that he was a, that he and, that Mr. Hatch and Mr. Nilsson were partners, and that they were in this venture together.

Q Did you have any discussions with Mr. Hatch in Mr. Nilsson's presence, concerning the financial contribution that was going to be ultimately required by Mr. Hatch?

A Not that I remember.

Q What conversations, if any, did you have with Mr. Hatch after March 17th, 1964?

A March.

THE COURT: That's when the blow-up came.

A Yes. Well, I didn't know about this blow-up for quite a while, until I went to Cardston. I guess the grapevine had got a hold of it, and this is the first I knew about it.

THE COURT:

Q When would this have been, Mr. Sommerfeldt?

A Oh, this was in the spring. It must have been around March, oh, it's a little later than that before I heard about it.

Q April, May, June?

A Well, June was thelast time that I saw Stu, I think. June or July was the last time I had ever talked to him.

Q Well, when was the first time after you realized that the Association was in financial difficulties? Just approximately, we are not---

A Well, I would say, oh, April.

Q Sometime in April?

A Sometime in April.

Q Now, what would you have said to Mr. Hatch, and where would it have been said?

A I never said anything to him.

Q Well, did he say anything to you?

A No.

Q So you just met and you didn't say anything, at all, about this, knowing that there was something wrong with the Association, and it was in difficulties?

A I heard the Association was in trouble, and I tell you, I was kind of worried about it, I wondered just where we were going to fit into this thing.

Q Well, I can appreciate this, but you just told us that you didn't say anything to Mr. Hatch and he didn't say anything to you.

A It's none of my business. I couldn't say.

Q You didn't ask him anything about it, whatsoever, and he didn't say anything to you, whatsoever, about it?

A That's right.

Q About Hin.Hat.Som. Ranches card, or the indebtedness of, well, of Hin.Hat.Som. Ranches to the tune of around 43 some odd thousand dollars?

A Well, let's look at it this way, maybe we can avoid a lot of questions.

Well, I would say, on April.

Sometime in April?

Sometime in April.

Q Now, when would you say - - - Mr. Hatch, and where would it have been said?

A I never said anything to him.

Q Well, did he say anything to you?

A No.

Q So you just met and you didn't say anything, at all, about this, knowing that there was something wrong with th Association, and it was - difficulties?

A I heard the Association was in trouble, and I tell you, I was kind of worried about it, I wondered just where we were

Q Well, I can appreciate this, but you just told us that you didn't say anything to Mr. Hatch and he didn't say anything

It's none of my busin

ss him anything about it, whatsoever, and he anything to you, whatsoever, about it?

Com. Cont

Q Okay, go right ahead.

A Look, Mr. Hatch was to come in to there and he was supposed to have money to back this thing with. Where he got the money was none of my concern, I wasn't to worry about the money, I was to manage that ranch, which I was doing, and I keep my records, I know where every cheque went, I know what I have spent every dollar for, and every so often I would turn my bank book and all these bills to Mr. Hatch, and he would put them down in order, and this way he and Mr. Hinman had a check, they knew what I was doing with the money, so there would be no squawk about this.
Alright, now, I thought, well, they must be paying Mr. Hatch pretty good, I didn't know, it was none of my business, so as long as the money was coming in to operate with, well, that's all I was concerned about, but I was still worried about it when I heard that this ranch was going to be involved.

Q Well, you say you knew nothing about the debt of the Association. I am sorry, nothing, at all, about the debt of Hin.Hat.Som. Ranches, of this debt to the Association?

A Yes. To begin with, Mr. Hinman came in to me and he says, "Dick, do you know anything about this money, do you know anything about borrowing money from the Feeders", and I says, "Not a thing", and he says "Do you know anything about me being insured to the Feeders", and I said, I didn't know a thing about it, and in fact, I was afraid he was kind of

Q [illegible], go right ahead.

A Look, Mr. Hatch was so [illegible] and he was supposed to have money to back this thing with. Where he got the [illegible]

Q My concern, [illegible] to worry about the money, I was to manage that [illegible] was doing, and I keep my records, I [illegible] where I have spent every dollar. [illegible] would [illegible] and he would put them down in order and [illegible] Mr. Hyman had a [illegible] money, so there would be no [illegible]

A Right. Now, I thought, well, the [illegible] paying Mr. Hatch pretty good. I didn't know, it was none of [illegible] business, so as to [illegible] money was coming in [illegible] are with, we [illegible] that's all I was concerned about, but [illegible] was still worried about it when I heard that [illegible] reason was going to be involved.

Q Well, you say you knew nothing about the debt of the Association. I am sorry, nothing at all, about the debt of Mr. [illegible] Fanning, or the debt to the Associations?

A Yes. To begin with, Mr. Hyman came in to me and he [illegible] "Hatch, do you know anything about this money, do you [illegible] [illegible] borrowing money from [illegible] he [illegible] "Do [illegible]

peeved at me because maybe I had something to do with it, but I didn't know anything about it.

Q Well, let's just look at this one cheque again.

A So, that was the first time that the thing was discussed, at all, there.

Q This is the cheque of October the 2nd, 1963, this is a cheque payable by the Lethbridge Central Feeders Association to Hin.Hat.Som. Ranches Ltd. You endorsed this particular cheque that we have---

A That's right.

Q Of Hin.Hat.Som.Ranches Ltd., and deposited to the account, I would presume, of Hin.Hat.Som. Ranches?

A Yes.

Q Now, didn't you think at that time that the Feeders Association, Lethbridge Central Feeders Association were advancing some monies to Hin.Hat.Som. Ranches Ltd.?

A No, I didn't.

THE COURT:

Q Is that the 16,000?

MR. WEIR: This is the $16,975.00 cheque.

THE WITNESS: Because I figured this way, I thought, well, I guess Mr. Hatch is selling, he sold stock, because I knew he had an interest in another ranch out here. I thought, well---

THE COURT:

Q You knew what?

A. But I didn't know anything about it.

Q. Well, let's just look at this one remote again.

A. So, that was the first time the [illegible] was discussed, at all, there.

This is the cheque October [illegible] no, 1963, this is a cheque payable by the Lethbridge Central Feeders Association to Hin.Hat.Son. Ranches Ltd. You endorsed this particular cheque that [illegible] ---

That's right.

Of Hin.Hat.Son.Ranches --- and deposited to the account, I would presume [illegible] Hin.Hat Son. Ranch.

Yes.

Q. Now, didn't you think [illegible] Feeders Association, Central Feeders Association were advancing some monies to Hin.Hat.Son. Ranches Ltd.

No, I didn't.

Is that one 16,000?

This is the $16,919.00 cheque.

Because I figured this way, I [illegible]

Hatch is selling, he sold stock, he [illegible] another ranch out [illegible]

A Mr. Hatch---

Q Had an interest in what?

A In a---

Q Oh, in the Riverview---

A Ranch out here at Cardston.

Q In the Riverview?

A That's right.

Q Yes.

A And I thought, well, I guess he is feeding cattle and selling, and he has turned this cheque in here, I supposed it was his money.

MR. WEIR:

Q So you thought then, that this was arranged by Hatch as a follow up of what you understood Mr. Hatch's financial investment was supposed to be in Hin.Hat.Som. Ranches Ltd.?

A That's right.

Q Now, you have indicated that you kept close records of what was going on, where you were spending money and so on, have you brought those with you today?

A That's something I didn't bring. I never gave that a thought. I wish I had brought my bank book with me.

Q Well, what records were you keeping? You were keeping all the records out there, I thought Mr. Hatch was the Secretary of the---

A I explained that. Any money that was sent in to me I deposited in the bank, and I can show where I deposited it,

Mr. Hatch---

Q Had an interest in what?

A In a---

Q Oh, in the Riverview --

A Ranch out here at Cardes

Q In the Riverview

A That's right.

Q Yes.

A And I thought, well, [illegible] -- leasing cattle and selling, and he has [illegible] requires here [illegible] supposed it was his money.

MR. WEIR:

Q So you thought that, -- -- was arranged by Hatch as a follow up of what you understood Mr. Hatch's financial investment was supposed to [illegible] in Hin.bar.Com. Ranches Inc.? That's right.

Now, you have indicated that you kept those records of what was going on, where you were spending money and so on, have you brought those with [illegible] today?

A That's something I didn't bring. I never gave that a [illegible] I wish I had been in my bank book with me.

Q What [illegible] and where you keeping? You were keep[illegible] a out t [illegible] I

and I can show where I have written cheques out on, to draw this out again, and for what those cheques went for. I usually write on the back of the cheques, and on the stubs what it was for.

Q So you kept pretty well a bank reconciliation then?

A That's right.

Q Now, would you keep---

A And I just kept all these bills, I kept them all together, and every so often I would send, see that Mr. Hatch got the cancelled cheques, receipts, and the bank book, and he would go through them and prepare the statement, and---

Q Well, you are referring now to the bank, what about, what about supplies that would be sent out by the Feeders Association, at least, there is quite a number that appear to be sent out?

A Well, there is twice Mr. Hatch sent pellets in, and---

Q Would you make a note of these in some way?

A No, no, not those. He kept track of that, himself. Whatever he did like that, well, he was to keep track of that.

THE COURT:

Q Who was that to be charged against?

A Well, that was against the company. Against the---

Q Oh, I see. He had the main books?

A That's right.

Q Yes, I see.

MR. WEIR:

and I can show where I have written them
this out again, and for what those cheques were in
usually write on the back of the cheques, and
what it was for.

Q So you kept pretty well a
A That's right.
Q Now, would you keep---
A And I just kept all these bills I kept them
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the cancelled cheques, receipts, so
would go through them and pay
Q Well, you are referring now
about supplies that would
Association, at least, there
to be sent out?
A Well, there is twice Mr. Ha
Would you make a note of these
A No, no, not those. He kept
or he did like that well.

Q And what about cattle transactions that may not have involved this bank account at Cranbrook, would you keep a record of any of these?

A You mean cattle that were shipped in?

Q Well, shipped in, or went out, I am just trying to figure out---

A The only thing I would have there is when cattle were shipped in, why, usually Mr. Hatch would phone me and say, well, you can expect some cattle to come in at a certain date, so I would watch for these truckers to come in, and when they would come in, why, sometimes they would leave a record that they carry, of how many stock that they had on, and I would check the stock as they were unloaded, and--

Q And what would you do with these records?

A I would keep them.

Q You would keep them. If they didn't present you with any such paper would you make a note of it somewhere in some book?

A I usually kept track of what came in to the amount, the amount of cattle that came in.

Q And you have followed through with this since Mr. Hatch has gone down to California?

A That's right.

Q And he has the books?

A I suppose, I don't know what he has done with the books.

Q Well, you haven't got the books, though? He didn't

[illegible] may not have

[illegible] reason as Crawbrook would you keep

a record of any of these?

A Yes, some cattle that were sl[illegible]

Q Well, shipped in, or went out [illegible] trying to figure

[illegible]

A The only thing I would have [illegible] it were

shipped in, why, usually Mr. [illegible] and so

well, you can expect some cattle [illegible] during it on a certain

date, so I would watch to these [illegible] come in, and

when they would come in, why, sometimes they would leave

a record that they carry, of how many stock that they had

on, and I would check the stock as they were unloaded, and--

Q And what would you do with that recorded

A I would keep them.

Q You would keep them. If they did, [illegible] you w [illegible] any

such paper would you make a note of it somewhere in some

book?

A Usually kept track of what came in to the amount, the

[illegible] of cattle that came in.

[illegible] have followed through with this stage in.

[illegible] one drive to California?

re-deliver them to you, at all?

A Well, after he would go through the books, and, now, the old bills and cancelled cheques, he would send them back to me, and I had them, and then there was one bunch, the last time that I saw Mr. Hatch, I gave these to him, because we needed a bank statement up there, and, to get money to continue to operate with, and he would never send in the bank statement, and the bank would keep getting after me to get this statement in, and I'd keep writing out to have the statement come in and it never came in. I left the books, or I left these bills and cancelled cheques and a cheque book with him at this particular time, and I have never received them since, and after that I had to get another cheque book and continue, and I have got all that stuff at home, and this is why we would like to have Mr. Hatch come back, and we would like to go through and bring this thing up todate.

THE COURT: You are listening, Mr. Moscovich?

MR. MOSCOVICH: Yes.

MR. WEIR:

Q Mr. Sommerfeldt, when did you become aware of the, at least of some of the irregularities that were involved in the bookkeeping and so on of the Lethbridge Central Feeders Association, or did you become aware of it before you came to Court today?

A Yes. The first thing, well, naturally the manager wondered

to deliver them to you, at all?

A Well, after he would go through the books, and, now, old bills and cancelled cheques, he would send them back to me, and I had them, and then there was one bunch, the last time that I saw Mr. Hatch, gave these to him, because we needed a bank sta[illegible] there and, to get money to continue to operate with, and he would never in the bank statement. And the bank would keep getting after me to get this statement in, and I'd keep writing out to have the statement come in and it never came in. I left the books, or I left these bills and cancelled ch[illegible]es and a cheque book with him at this particular time. And I have never received them since. And after that I had to get another cheque book and continue and I have got all that stuff at home, and this is why we would like to have Mr. Hatch come back, and we would like to go through and bring this thing up to date.

THE COURT: You are listening, Mr. Moscovitch?

MR. MOSCOVITCH: Yes.

MR. WEIR:

Q Mr. Commerfield, when did you become aware of the equal:lies that were involved in

why we didn't get this statement in.

Q Who?

THE COURT: The bank manager.

THE WITNESS: The bank manager.

MR. WEIR:

Q Oh, the bank manager, yes.

A And he kept after me because I was managing the ranch, and I was to get this in. So I had kept trying to get that in and I couldn't get it in. Well, then he says, "Is there anything wrong?" And I said "No, I don't think so." I says, "Just probably he is so confounded busy with the Feeders he hasn't time to look after this." So, that's all that I put it down to right there. I said "I don't think you've got a thing to worry about". So then, later on, why, I heard rumors about the thing, and then I started to kind of think as to what was going on.

Q And you discovered, did you, that there were certain alleged irregularities?

A That's right.

Q Involving the Lethbridge Central Feeders Association?

A Well, I had heard a lot of people talk about it, but---

Q Would this have been before you saw Mr. Hatch? You said that when you first saw him in the spring, around April, you just talked back and forward to him, but nothing about this, didn't you, or---

A No, I didn't mention this at all.

why we didn't get this statement in.

THE COURT: The bank manager.

THE WITNESS: The bank manager.

MR. WEIR:

Q On, the bank manager, yes.

A And he kept after me because I was managing the ranch, and I was to get this in. So I had kept trying to get that in and I couldn't get it in. Well, then he says, "Is there anything wrong?" And I said "No I don't think so." I says, "Just probably he is so confounded busy with the Feeders he hasn't time to look after this." So, that's all that I put it down to right there. I said "I don't think you've got a thing to worry about". So then, later on, why, I heard rumors about the thing. And then I started to kind of think as to what was going on.

And you discovered, did you, that there were certain alleged irregularities?

A That's right.

Involving the Lethbridge Central Feeders Association? Well, I had heard a lot of people talk about it, but---- Would this have b

Q You didn't mention it at all?

A No.

Q Well, did you later mention anything to Mr. Hatch about it?

A I don't recall that I ever did.

Q And yet you knew about some of the irregularities?

A Well, I figured, well, that is his personal problem.

Q Well, it may have been a personal problem, but didn't it concern you, at all, the fact that Mr. Hatch had one-third of the shares in Hin.Hat.Som. Ranches Ltd., of which you owned one-third of the shares, and eventually these leases of yours, at least it was discussed, you said, would be turned over to this company. Didn't this concern you, at all?

A Not too much, no, because I trusted Mr. Hatch, and like I said before, I figured those cheques were coming in from stock that he had sold.

Q And since that time you have been perfectly satisfied, have you, with having Mr. Hatch as a one-third partner in this Hin.Hat.Som. Ranches Ltd., or Hin.Hat.Som. Ranch, or Double Triangle Ranch, you have been satisfied with this arrangement?

A No. Not after I found out all the more about it, I haven't.

Q But yet, you never said anything more to Mr. Hatch, you didn't see Mr. Hatch after that?

A I didn't see him.

Q Ten-Hidden's mansion

A No.

Q Well, did you later mention anything to Mr. Tate about it?

A I don't recall that ever did.

Q And yet you knew as a son of a [illegible] requisitioner?

A Well, I figured, well that is his [illegible] problem.

Q Well, it may have been a personal problem, but didn't it concern you, at all, [illegible] Mr. Hatch as one-third of the shares in Hi-Hat Com. Ranches Ltd., of which you shares, and eventually these leases [illegible], would be turned over to this company. Didn't this concern you, at all?

A Not too much, no, because [illegible] Mr. Hatch, and like I said before, I figured those cheques were coming in from stock that he had sold.

Q And since that time you [illegible] satisfied, here you, with having Mr. [illegible] one-third partner in this Hi-Hat Com. Ranches Ltd., or Hi-Hat Com. Ranch, or [illegible] Tadanac Ranch. You have been satisfied with this

Q I see. I have no further questions, Your Honour.

THE COURT: Mr. Moscovich?

MR. MOSCOVICH: No, Your Honour.

THE COURT: Mr. Prowse.

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q Well, Mr. Sommerfeldt, you feel a moral obligation about this debt don't you?

A Yes. If the calves were left there, and debts that are honestly, that he honestly put into there that we have taken, why, it would be alright.

Q Well, you have gone over that account, have you, that ledger sheet account of Hin.Hat? You have looked over this ledger account?

A Which ledger account is that?

Q Well, these---

THE COURT: This one.

MR. PROWSE:

Q The Hin.Hat.

MR. WEIR: The Hin.Hat.Som. Ranch.

THE WITNESS: I don't know as I have seen that one.

MR. WEIR: Here is a photocopy of it.

THE COURT: Have you seen Mr. Hinman's copy?

THE WITNESS: I believe Mr. Hinman gave me some figures, and there were some of them I wasn't satisfied with, and I think some of them were struck off again, but

Q. I see. I have no further questions, Your Honour.

THE COURT: Mr. Mosovich?

MR. MOSCOVICH: No, Your Honour.

THE COURT: Mr. Frowse.

FROWSE CROSS EXAMINES THE WITNESS:

Q. Well, Mr. Sommerfeldt, you feel a moral obligation about this debt don't you?

A. Yes. If the calves were left there, and debts that are honestly, that be honestly put into there that we have taken, why, it would be alright.

Q. Well, you have gone over that account, have you, that ledger sheet account of Hin.Her? You have looked over this ledger account?

A. Which ledger account is that?

Q. Well, these---

THE COURT: This one.

The Hin.Her.Sem. Ranch.

I don't know as I have seen that -

Here is a photocopy of it

seen Mr. Hom ...

I haven't seen this.

THE COURT:

Q Well, do you know what part of that account you don't approve of?

A I couldn't say, offhand. The thing I'd like to do, or like to have done, was gone over this with Mr. Hatch.

Q We would all like that, Mr. Sommerfeldt.

MR. WEIR: Well, almost all.

THE WITNESS: Well, then it could be cleared up.

MR. PROWSE:

Q So that you doubt that you will be able to agree with that ledger sheet until you see Mr. Hatch, is that it?

A What is the total figure on it?

THE COURT: $43,944.45, including a $21,667.00 transfer from Mr. Hinman's account, which he thinks is a fairly reasonable amount of things that have been incorrectly charged to his account.

MR. WEIR: This is the total, $43,944.00 as of this date here, and this is the entry, the $21,667.00 that Judge Turcotte just read.

THE WITNESS: Oh, I see, sorry.

THE COURT: See, the first item is a truck, $2,350.00.

THE WITNESS: Yes.

THE COURT:

Q The next is 70 heifers, $3,154.54.

Q Well, do you know what part of that account you don't approve of?

A I couldn't say, offhand. The thing I'd like to do, or like to have done, was go over this with Mr. Hatch.

Q We would all like that, Mr. Sommerfeldt.

MR. WEIR: Well, almost all.

THE WITNESS: Well, then it could be cleared up.

MR. PROWSE:

Q So that you doubt that you will be able to agree with that ledger sheet until you see Mr. Hatch, is that it?

A What is the total figure on it?

THE COURT: $41,944.45, including a $21,667.00 transfer from Mr. Hinman's account, which he thinks is a fairly reasonable amount of things that have been incorrectly charged to his account.

MR. WEIR: This is the total, $41,944.00 as of this date here, and this is the entry - - $21,667.00 that Judge Truscott just read.

THE WITNESS: Oh, I see, sorry.

THE COURT: See, the first item is a $1

A Now, just a minute. 70 heifers, were they sold or bought? We never bought 70 heifers.

Q You never bought them. Well, have you got the file there, Mr.--- Or have I got it?

Well, we will just look for this $3,154.00, that's for 28 steers, I am sorry, September 25th, 1963, 28 steers, bought in Cranbrook from the Community Auction?

A That's right.

Q That would be a correct figure, would it?

A That's correct.

Q And you got, I mean the Hin.Hat. got the---

A That's right.

Q The next item is apparently the payment of that note, $16,975.00?

A Yes.

Q And the $21,667.00 are various items that have been charged to Mr. Hinman which he thinks is close, but it includes $4,000.00, which, of course, he would not agree to, the 4,000 that Mr. Hatch paid to Mrs. Leighton. That would be no concern of yours?

A No. You say that was 21,000?

Q $21,667.00. Do you see the figure?

A No, this is $22,479.00.

Q No, no, you are wrong.

MR. WEIR: What is it, Your Honour, 21---

THE WITNESS: Right below this?

Now, just a minute. 70 heifers, were they sold or

We never bought 70 heifer

Q You never bought them. Well, have you got the fil

Mr.--- Or have I got it?

Well, we will just look for time ?

28 steers, I am sorry. September 25th 1963, 28 steers,

bought in Cranbrook from the community auction

A That's right.

Q That would be a correct figure, would it?

A That's correct.

Q And you got, I mean the Mr. Hat. got the---

A That's right.

Q The next item is apparently the

$16 975.00?

A Yes.

Q And the $21 [illegible].00 are various items that have been

charged to Mr. Hinman which he claims is close, but it

includes $4,000.00, which, of course, he would not agree

to, the 4,300 that Mr. Hatch paid to Mrs. Leighton. There

would be no concern of yours?

A [illegible] that was 21,000?

Q You see the figure?

A [illegible] 00.

MR. WEIR: What is the figure?

THE COURT: Hin.Hat.Som.

MR. WEIR: Yes, which is the figure---

THE COURT: December 30th.

MR.WEIR: Yes, this is the one I just referred to, $21,667.00.

THE WITNESS: Oh, yes, down here.

THE COURT:

Q Now, those are items that were charged up to Mr. Hinman's account which he says should be charged to the ranch, and that's all that is in there, except $3,495.00, which is explained every day to me, and 10 minutes afterwards I don't understand it.

A Well, then the total, though, is 42,000.

Q 42,000, yes.

A Yes, 994. Yes, well, this is the part that I, this is alright, but to begin with it was supposed to be 80,000, and I wouldn't go along with it.

Q Oh, I see, yes, 80,000. Well, that's adding Mr. Hinman's 33,000, as well, I think.

A Well, we finally got that ironed out. So that figure there, that's---

Q You think that's correct, well, that's---

A Pretty close.

Q Yes.

MR. PROWSE: That's all I want.

What is the figure?

Hm.Hm. .Dom.

Yes, which is the figure

December 30th.

Yes, this is the one I just

referred to, $31,567.00.

THE WITNESS: Oh, yes, down here

THE COURT:

Q Now, those are items that were charged up to Mr. Hinman's account which he says should be charged to the ranch, and that's all that is in there, except $2,495.00, which is explained every day to me and 10 minutes afterwards I don't understand it.

A Well, then the total, though, is $42,000.

Q $42,000, yes.

A Yes, 99%. Yes, well, this is the part that I, this is alright, but to begin with it was supposed to be 20,000, and I wouldn't go along with it.

Q Oh, I see, yes, 80,000. Well, that's adding Mr. Hinman's 23,000, as well, I think.

A Well got that ironed out. So that figure

was

that's correct, well, that's---

THE COURT: Well, Mr. Sommerfeldt, there is no argument, whatever, that under no circumstances did you ever agree that your leases were to go as security to the Association?

A No.

Q So that when Mr. Hatch, on the 31st of March, 1964, at a meeting attended by Mr. Paxman, Mr. Keeler, Mr. Stevens, Mr. Bullock, Mr. Porter, and Mr. Reynolds, and Mr. Hatch, said, Stu said that the lease in Cranbrook would probably be available for the Association, that's not correct? You never agreed to that?

A No.

Q And those minutes are signed by Mr. Hatch?

A No, I didn't know anything about that.

Q Knew nothing about it. And I understand, Mr. Sommerfeldt, that on the, about the 25th of September you came in and talked to Mr. Peterson, do you remember that?

A That's right, and I came in and talked to him because I was getting pretty worried about this time what was going to happen.

Q Amd you told him then that you weren't willing to sell the lease?

A That's right.

Q And that the lease was in your name?

A That's right.

Q You have never made any bones about that?

Well, Mr. Sommerfield, there is no agreement, whatever, that under no circumstances did you ever agree that your leases were to go as security to the Association?

Q So that when Mr. Hatch, on the 31st of March, 1954, at a meeting attended by Mr. Paxman, Mr. Keeler, Mr. Seavens, Mr. Bullock, Mr. Porter, and Mr. Reynolds, and Mr. Hatch, said, you said that the leases in Trenbrook would probably be available for the Association, that's not correct? You never agreed to that?

A No.

Q And those minutes are signed by Mr. Hatch:

A No, I didn't know anything about that.

Q Knew nothing about it. And I understand Mr. Sommerfield, that on the, about the 25th of September you came in and talked to Mr. Peterson, do you remember that?

A That's right, and I came in and talked to him because I was getting pretty worried about this time what was going

A No. No, there were some buyers came in and wanted to buy it, and I said, no, that I am not selling unless I get so much money for those leases.

Q So that anything in the minutes about selling was without your consent?

A That's right.

Q No matter who said it?

A That's right.

Q Now, here, on September the 9th, this, of course, may be a little wrong.

A Now, on that one question that you asked there, about when Mr. Hatch said those leases could be available, now, I don't know anything about that, but as Mr. Hinman stated earlier, if, when such a time came that everyone was satisfied, then, yes, I would have, but not until.

Q You would have sold if you could get your price?

A That's right.

Q This last item on that account is a charge of---
Oh, could you tell me something about buying this truck for $2,350.00?

A Well, all I know about it was that I had the truck, the truck that went in there was my own ½-ton, and I had taken in a 3-ton, and the ½-ton was getting pretty well shook apart, and Mr. Hatch came in and I said "Stu, we've got to have a different truck." I said, "This one is costing us more money to keep it repaired than what a new one would cost us,"

No. No, there were some buyers here in and wanted to buy it, and I heard, no, that [illegible] selling trucks I [illegible] so much money for [illegible].

Q So that anything in [illegible] Your correct.

A That's right.

Q No matter what [illegible]

A That's right.

Q Now, here on Exhibit [illegible] the [illegible], or [illegible], may be a little wrong.

[illegible] question [illegible] said there, about when Mr. Tucca said those [illegible] would be [illegible], now, I don't know anything about that, but -- Mr. Hunsen stated earlier, if, when such a time came that everyone was satisfied, then, yes, I would have, but not until.

Q You would have sold if you could get your price?

A That's right.

Q This last item on that account is a change of-- [illegible] you tell me something about buying this truck [illegible]?

A [illegible] I knew about it was that I had the truck [illegible] away two [illegible], and I had to [illegible] truck was getting rotty well a [illegible] and I said [illegible], we've got to

and he said "Well, we will see what we can do about it", and then he told me to come out and pick this truck up.

Q At where, at Cardston?

A Cardston.

Q Yes. Well, who was paying for that?

A I figured it was going to come out of the sale of stock.

Q From the Association?

A Eventually, that's what I thought would happen.

Q Well, the Feeders paid for it.

A Well, I didn't know this, you see.

Q Now, have any of the stock that have been sent up, or been provided by the Feeders, I think we mentioned some of them, certain numbers.

A Yes.

Q Have they ever been branded with the cleaver brand?

A No.

Q Have you a cleaver brand on the place?

A No. I was never told to brand any with the cleaver brand. All that I was supposed to do was brand them with the Bar Double Triangle, which I did.

Q You had no knowledge, whatsoever, that these animals were owned by the Association?

A No, I sure didn't.

Q Were you ever asked to join the Association?

A No.

Q No mention, at all, of the Association having anything to

Q So said Weis. We will see what we can do about it, and then [illegible] to come on [illegible] and look up.

Q At where, at Gardeson?

A Gardeson.

Q Yes. Well, who was paying for that?

A I figured it was going to come [illegible] of stock.

Q From the laboratories?

A Eventually, that's what [illegible] in a [illegible]

Q Well, the leaders paid for it.

A Well, I didn't know [illegible] to see

Q Now, have any of the stocks that have been provided by the leaders certain numbers.

A Yes.

Q Have they ever been credited with the cleaver brand? No.

Have you a cleaver brand in

A No. I was never told to [illegible] any with the cleaver brand. All that I was supposed to do was [illegible] them with the Double Triangle, which I did.

Q Had no knowledge whatsoever that these animals [illegible] in [illegible]?

[illegible]

Q [illegible] medications?

[illegible]

do with you, at all?

A No.

Q Anything else gentlemen?

MR. MOSCOVICH: No, thanks very much.

THE COURT: That's all, thanks.

(WITNESS STANDS DOWN)

MR. WEIR: Mr. Bradstock, please.

JAMES WARD BRADSTOCK, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q You are Mr. J. W. Bradstock?

A Correct.

Q And I understand you were the manager of the Imperial Bank of Canada at Lethbridge, Alberta, is that correct?

A That's right.

Q How long were you employed as manager of the Imperial Bank of Canada, at Lethbridge?

A From early 1959 until the amalgamation, and then I stayed on under the amalgamated bank until the end of January, 1963, when I was transferred to Calgary.

Q Yes.

THE COURT: And the amalgamation was?

MR. PROWSE: June, of 1961, I think.

THE WITNESS: 61.

THE COURT: Yes.

MR. WEIR:

Q And while you were the manager of the Imperial Bank the

Lethbridge Central Feeders Association transferred their business. I understand, from the Royal Bank to the Imperial Bank?

A That's right.

Q Now, when was this account transferred to the Imperial Bank?

A June of 1960, I believe.

Q Now, considering the number of cheques and so on that I have been examining throughout the course of this hearing, I presume that this account of the Lethbridge Central Feeders Association would be considered quite a premium account, would this be reasonable to assume?

A Yes.

Q And I presume that it would be probably better than, or one of the best accounts for a branch bank in a City of this size, right across Canada, it would be a premium account?

A It was a notable account, certainly.

Q And I daresay that this particular account, the importance of this account was probably discussed when the Imperial Bank amalgamated with the Bank of Commerce, wasn't it?

A That's correct, yes.

Q Now, what discussions did you have with Mr. Hatch concerning the transfer of this account to the Imperial Bank?
Do you recall the conversation that you had?

A Well, I had previously met Mr. Hatch through the Directors of the Community Chest, through community endeavors, and he came in to me expressing appreciation of my views in

these community endeavors, and for this reason, in view of the fact that they were planning a change, he felt I would be interested, and he was interested in my making an application.

Q Did he tell you, specifically, why there was discussions about transferring the business, banking business of the Lethbridge Central Feeders Association?

A Yes. He said, not in these words, of course, but, that the Association had grown up with the Royal Bank, and it had grown from very small beginnings to quite a notable enterprise, and yet they were still being treated as a small boy, which he resented very much, and they felt that they might receive a little better treatment from another bank.

Q Did he refer, specifically, to any items in this connection, at all?

A Well, such things as, one specific item I remember, he quoted, well, I said, the other bank manager had heard on the street that somebody's herd of heifers had become bred, and was taking very strong exception to this, and he pointed out to me that these things happen occasionally, and it's not the intention, but they do happen, and as soon as they happen, why they take immediate steps to right the situation.

Q Yes. Did you discuss the matter of the transferring of this account to your bank with any member of the Board of Directors of the Lethbridge Central Feeders Association before the account was actually opened in your branch?

[illegible] occasionally appeared and for this reason, in view of the fact that the new pilot [illegible] change, he felt I would be interested, and he was interested in my making an appearance.

Q Did he tell you, specifically, why there was disagreement [illegible] the business concerning ownership of the Lambda Sig [illegible] Association?

A Yes. He said [illegible] of course [illegible] but, then the Association had given up with the Royal Bank and it had [illegible] [illegible] valuable enterprise, and Yes. He [illegible] being treated as a small boy, which he resented very much. [illegible] felt that they ought to receive

Q Did he refer specifically to any items in this connection, at all?

A Well, each things as [illegible] remember. He quoted, well, [illegible] regarded it as on the street that somebody [illegible] of the fire had become dried, and was very strong [illegible] to this, and he pointed out to me [illegible] happen, occasionally, and it's not the internal [illegible] happen, and as soon as they happen, why they [illegible] to right the situation.

[illegible] discuss the matter of the [illegible]

A Yes.

Q And who would you have these discussions with?

A There was a meeting in my home, over a luncheon, and Mr. Houlton, the president, was present, and Mr. Paxman, I believe he was vice-president at that time, and Stu Hatch, and myself, and Mr. Fawlter, who was our Western Superintendent out of Winnipeg at that time.

Q And what would be the general gist of the discussions at that time?

A Well, at that time I had already made the application, which, of course, with an account of this magnitude was considered at head office in Toronto.

Q Yes.

A And Mr. Fawlter happened to be passing through on a tour west, and he was in Calgary when this thing hit their desk in Toronto, and they wired him to come down and discuss the situation with me, and at that time we arranged this meeting, you see.

Q This luncheon meeting that you were discussing?

A Yes.

Q Now, were the details of the banking arrangement outlined to the Board at that time?

A They were pretty well discussed, because credit restrictions were in force at that time, and it was to be a very definite understanding that under these conditions they could not look for more money than they were receiving

at the present bank.

Q Well, what difference were they going to be experiencing under the Imperial Bank, which they were not experiencing under the Royal Bank?

A I don't think there was anything offered in the way of a change of any nature, other than they would be treated according to their status, was more the most important aspect.

Q Would the advances be, cash advances be recognized? At least, were cash advances discussed at any preliminary meetings?

A Not at that time.

Q They weren't discussed?

A No.

Q Was it the understanding you had, at all, that you had at that time, when the account was opened, that there would be cash advances issued to the members of the Association, by the Association?

A Not any more than what was considered to be normal and essential, in that if there was a sufficient equity in the cattle after a feeding program and a feeder was in circumstances that he required the feed to finish the cattle, the equity was there, why, that was considered to be an occasion when it was necessary, but it wasn't to be the general thing, at any time. The feeling of the bank was pretty well shared by the Board, from my experience.

Q Now, Mr. Bradstock, you were in Court when Noel Brandley presented his evidence Monday morning, weren't you?

A That's right.

Q You heard him testify, I presume, that he handed you a substantial amount of cash.

A Now, perhaps---

Q Approximately June of 1961.

THE COURT: January.

MR. WEIR: Pardon?

THE WITNESS: January of 1961.

MR. WEIR: June of 1961.

THE WITNESS: Oh, yes, but he mentioned---

THE COURT: What--- Oh, yes. It's June.

THE WITNESS: Would you allow me to recite this situation?

MR. WEIR:

Q Yes.

A As I recall, he said January of 61, that this arrangement was entered into, and in June of 1961 he drew a $700.00 cheque and turned over between 3 and $500.00 cash to me.

Q His evidence---

A His evidence, yes.

Q His evidence was between 4 to $700.00. No less than 4 and no more than $700.00 cash, that was his testimony.

A Oh, I am sorry.

Q Would you like to, just for a moment, look at the

documents that he was looking at. This is the document of January the 3rd, 1961, referring to 11 steers, and this was put into his N.A.B. account, the total amount of this charged to his account at that time was $1,238.85, and the cheque in question, which he identified receiving, was June the 21st, 1961, in the amount of $700.00?

A Yes. Well, I was taking some notes of the situation when he was in the stand, but I was quite sure thathe said between 3 and $500.00 in cash that he paid to me.

Q Well, I won't argue the point. I just---

A No. Now, his version of this is approximately correct, I certainly can't deny it. Independently, he mentioned, and also Mr. Hatch mentioned that between them they decided to do this thing for me, was to place 11 steers, I think that was the situation, on feed, and charged to Mr. Brandley's account, and placed on feed at Mr. Brandley's ranch, and I was to receive a share of the profit.

Now, there was nothing said as to how much money I was to receive, and in July, I was going on holidays in July, which Mr. Brandley knew, and approximately the time mentioned there, corresponding with that $700.00 cheque, he came into my office, it was in my office, I remember that, and he paid me $300.00 cash, $300.00 in cash.

Q Excuse me, where did you say---

A He said in the Marquis Coffee Shop, I think, but I know it was in my office.

Q Yes.

A From my recollection, and that's the story in a nutshell.

Q Did you obtain any substantial amount of, how much did you say, how much money did you say?

A $300.00 cash.

Q $300.00. Did you receive a cash payment from any other member of the Lethbridge Central Feeders Association in a similar way?

A Never.

Q Did you receive any small cash payments from any member---

A Never.

Q Of the Feeders Association? I am showing you ledger card, Mr. Bradstock, this is a ledger card which is No. H95, it is in the name of S. W. Hatch. Now, this notation here says, December 5th, 1960, and it's not referring to cash, it's referring to lamb to bank manager, charged to advertising, and then it refers to the folio number, and then the credit of $18.40, December 5th, 1960.

Now, you were the bank manager of the Association at that time, but is this entry correct, or incorrect, or have you any---

A Well, I don't know if the entry is correct. I can remember that Mr. Hatch gave me some lamb some time.

Q He gave you what?

A Some lamb, like lamb chops, and that kind of thing.

Q Yes.

From my [illegible] and that's [illegible] a [illegible],
Did you [illegible] any [illegible] are [illegible] did you
say. How much money did you pay?

A $500.00 cash.

Q $300.00 Was you [illegible] a member of the [illegible] union in a similar way?

A Never.

Q Did you receive any small [illegible] payments [illegible]

A Never.

Q Of the Pesters Association [illegible] an showing [illegible] over cash. Mr. Broadwood this is [illegible] are [illegible] 1955, is it in the case of [illegible] Hecht. [illegible] to action [illegible] says, December 5th, 1955, [illegible] to cash, this referring to Jack [illegible] cash manager. Proceed to advertising and then it refers [illegible] Local Number and then the credit:

Now, [illegible] the cash manager of the Association [illegible] that is this only [illegible] or incorrect [illegible] have [illegible]

[illegible] When it's only is correct.

[illegible] said we have some land zone [illegible]

A But I certainly wouldn't think that it was $18.40.

THE COURT:

Q Just before that, Mr. Bradstock, there is an entry from whom---

MR. WEIR: Just the entry before, if you look, Mr. Bradstock, immediately before that entry, November 29th, Canada Packers, and then there is a debit to the account of $36.80, and then the one underneath it that we have just read, for $18.40.

THE COURT: It looks like half of 36. We were wondering if it was half a lamb.

THE WITNESS: Well, if it was half a lamb I got the dirty half.

THE COURT: I see. Well, did you have, I have no complaint about Mr. Hatch giving you some lamb chops and so forth, but did you have any idea that he was charging that up to Lethbridge Central Feeders?

A No. He said that he had acquired some lamb, and it was reasonable, and would I like half of it.

Q Yes.

A And I said that sounded alright, how much is it going to cost, and he said, well, it won't cost you anything.

Q I see.

A And, while he did say half, we didn't have a freezer in our home---

Q I see.

Q. Was I certainly would not think that it was $18.40.

THE COURT:

Q. Just before that, Mr. Broadbrook, there is an entry from where--

MR. WEIR: Just the entry before. If you look, Mr. Broadbrook, immediately before that entry, November 29th, Canada Packers, and then there is a debit to the account of $20.60, and then the one underneath it that we have just read, for $18.40.

THE COURT: It looks like half of 36. We were wondering if it was half a lamb.

THE WITNESS: Well, if it was half a lamb I got the dirty half.

THE COURT: I see. Well, can you have, I have no complaint about Mr. Hatch giving you some lamb chops and so forth, but did you have any idea that he was charging that up to Leithbridge General Hospital? No. He said that he had acquired some lamb, and it was reasonable, and would I like half of it.

A. I said that sounded alright, how much is it

Q. Well, well it won't cost you

[illegible]

[illegible]

A And a freezer wasn't necessary for the quantity--

Q Well, you didn't think he would have the nerve, then, after giving you something, to charge it up and collect from Lethbridge Central Feeders?

Alright, go ahead.

MR. WEIR:

Q Another thing that interests me about this particular account that these entries appear in, have you ever seen these cards? There are two cards, the other card which is also marked, as you note, H95, it says Hatch, S.W., Trust 3rd W. Then, on the reverse side it says, Hatch, S.W., Trust account, 3rd Ward, and also with a number of H95. Then, as we turn over on this particular one, it says Hatch, S.W., and that looks like Trust 3rd Ward, to me, with a line drawn through it.

A Scratched out, yes.

Q Does it look like that to you?

A Yes.

Q And then on the back of this card, which is the most recent date, is Hatch, S.W., with no other mark on it. This, to my understanding, is, although I may be incorrect here, this appears to be an account that started out as a trust account which, for some reason or another, blossomed into a personal account. Would you get the same impression?

A I would get that impression, but I couldn't throw any light on it.

[illegible] a lingeri [illegible] necessary for [illegible] quality--

Q Well you didn't think he would [illegible] the nerve, then, after giving you something to [illegible] [illegible] and collect from insurance? [illegible]

Affirmative [illegible]

MR. [illegible]

Q Another thing [illegible] [illegible] [illegible] [illegible] [illegible] been [illegible] [illegible] [illegible] and which is also [illegible] as you [illegible] [illegible] S.W., first 3rd W. [illegible] o. the previous [illegible] [illegible] 3.W., first account [illegible] 3rd Ward [illegible] [illegible] or [illegible]. Then, as we [illegible] over o[illegible] [illegible] [illegible]. I says Hatch. S.W., and that looks like [illegible] 3rd Ward [illegible] with a line down [illegible]

Scratched out.

Does it look

Yes.

Q And then o. the back of this card, which is the most recent date, is March, S.W., with no other mark on it. [illegible] [illegible] [illegible] [illegible] [illegible]

Q Yes.

A I have never seen those cards.

THE COURT: What is the word for that, metamorphosis, or something?

THE WITNESS: Something like that.

MR. WEIR:

Q And did you receive any gifts from any members? I am not talking about cash gifts, any personal gifts of any size, small or large, from any members of the Lethbridge Central Feeders Association?

A Well, no, other than this Brandley.

Q Yes, yes.

A No.

Q No steers, or anything? I have nothing on this, at all, I can assure you, and I am sure there isn't, but I am just asking the question. There was some lamb chops here, and I just thought I'd just ask the question---

A No.

Q For the sake of the record. I have no further questions, Mr. Bradstock.

THE COURT: Perhaps we could adjourn for 15 minutes, Mr. Bradstock.

(FIFTEEN MINUTE ADJOURNMENT)

MR. WEIR:

Q Mr. Bradstock, you agree that you are still under oath?

A I do.

Q During the intermission, Mr. Bradstock, you drew my attention to a question that I inadvertantly forgot to ask, which would be a standard question.

Did you receive any gifts, at all, from the Association, at any time?

A I did.

Q That is that you considered to be gifts from the Association?

A I did.

Q And would you tell us what they would be?

A I received a pair of cowboy boots for a Christmas present.

Q In what year would this be, or do you recall?

A Well, I also received a cowboy hat for a Christmas present. Now, I can't remember which order I got them in, but each was a Christmas gift, as I recollect, and I think I wrote the Board of Directors and thanked them for the gift, and when I was transferred to Calgary I received the gift of a briefcase from the Association, and I wrote them and thanked them for that consideration.

Q Was there anything else?

A Well, the only thing I'd like to mention is that at the time of this cattle arrangement with Central Feeders and Mr. Brandley---

Q Oh, you are referring to these 11 steers?

A Yes.

Q Yes.

A They announced to me, each of them, individually, that this had been done. I wasn't in on a negotiation to do it, so that, I admit that I didn't object to the deal, but I didn't negotiate the deal, and also, in view of the state of the Brandley account, I intend to repay that money, plus interest.

Q I have no further questions, Your Honour.

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q Just two questions.

You had implicit faith in Mr. Hatch?

A I can't deny that.

Q Yes, and this is my last question, he was so careful and honest that he charged the lamb chops to the Association that he actually gave you as a gift, isn't that so?

A It appears so, yes.

Q Yes, alright.

MR. PROWSE CROSS EXAMINES THE WITNESS:

MR. PROWSE: Your Honour, there are a couple of points I would like to deal with here, I don't know, it may be your intention---

THE COURT: Anything that you can relieve me of, I am very thankful.

MR. PROWSE: Alright, that's fine.

Q Now, Mr. Bradstock, I believe in April of 1962, after Mr. Brandley got out of hospital, you had a conversation with him concerning what had happened to the cattle that should have been on his ranch?

A They announced to me, each of them, individually, that this had been done. I wasn't in on negotiating it, so that, I admit that I didn't object to the work, but I didn't negotiate the deal, and also, in view of the Brandley account, I [illegible] repeat [illegible] they, plus [illegible].

Q I have no further questions, Your Honor.

MR. MOSKOVITCH: [illegible] MR. [illegible]

Q Just two questions.

You had implicit faith [illegible] client.

A I can't deny that.

Q Yes, and this is my last question. [illegible] and honest that he [illegible] [illegible] that he actually gave [illegible] [illegible]

A It appears so, yes.

Q Yes, alright.

MR. PROWSE: [illegible] [illegible]

MR. PROWSE: Your Honor, there are a [illegible] of points I would like to [illegible] [illegible] I don't know, it may be your [illegible]

THE COURT: Assuming that you can believe me [illegible] a very [illegible].

[illegible]: Alright, [illegible] time. [illegible] I believe [illegible] April of 1982, at [illegible]

A That is true.

Q And I believe you have some figures that he gave you at that time as to what had occurred?

A That's correct.

Q Now, possibly you should tell His Honour where those notes were made from?

A These are made from a correspondence between myself and the Regional Office at Calgary, reporting on the situation, and this was the afternoon of April the 24th, 1962, in connection with the disposal of them.

Now, in November 16th, of 1961, I was on the premises of the ranch, and verified a holding of 1775 head, of which 721 were purportedly owned by Mr. Brandley.

THE COURT: You mean personally, or by the Association?

A No, personally. These were the cattle that we were financing through the bank, under Section 88.

THECOURT:

Q Oh, those are your cattle?

A Yes, but I was aware of the other two contracts, and the position of them.

Now, of the 721 cattle, or, no, of the 1775 cattle that I verified, this is his accounting of what happened.

Q Now, the other 1,064 were Association---

A Were contract cattle, of which the Association was part.

Q Well, Association cattle are not contract cattle. I mean---

A Well, no, I am just generally phrazing the rest of the cattle

Q Alright

A Now, 215 cattle were accounted through the bank, and that, I verified.

Q That's what you sold, you mean?

A From November the 16th, 1961, up to April the 4th, 1962.

Q Well, that's before you---

A This is before we seized the cattle, yes. This is an accounting up to that time.

MR. PROWSE:

Q By that, you mean these cattle were sold, and the proceeds had come into the bank?

A That's right, deposited to his account. This is his accounting, incidentally. There were 200 Q Ranch heifers, these were contract cattle, which were sold, and the equity went through the bank. There were 450 sold and applied on the Wieler and Williams contract. There were 110 calves dead or missing, and at the time of our concern, there was 440 cattle on hand, at inspection, April the 9th, 1962.

Now, that totals 1415 cattle. This, even with 110 calves dead or missing, this leaves 360 head unaccounted for.

Q Now, during the course of the evidence here, Mr. Bradstock, I believe Mr. Houlton, who was the president of the Association, suggested that they were not concerned about doing inspections themselves, that is, the Association,

because the bank was going to do inspections.

Can you just tell us whether there was any understanding between the bank and the association that you were purporting to relieve them of their responsibility for inspecting?

A There was no such arrangement. Any inspections we did, we did for our own account, and they were perfectly aware of that, because on more than one occasion they told me that their field men were visiting all the members once every 30 days.

Q Now, in regard to the supervision by the bank, could you just tell exactly what degree of supervision was required by the Regional Office, or your superiors, in regard to this account?

A Well, once a month we would get a list of what we call receivables, which was the members accounts, the liabilities outstanding for each member, and in that account---

THE COURT:

Q Would you like to have this, is that one of them?

A That would be the one, yes. That's the type of form we received, and it would also outline the number of head involved, and from that list we would go out, at this period, when I first took over the account, we would go out monthly and visit 10 to 15 of these, with a view to covering them all within a period of 12 months.

Now, Mr. Hatch selected which feeders we were going to,

because the bank was going to do these

Can you just tell us whether there was any understanding between the bank and the organization that you were purporting to represent [illegible] [illegible] inspecting?

A There was no such arrangement. Any inspection [illegible] we did for our own account [illegible] particularly aware of that because on more than one occasion [illegible] told me that their field men were [illegible] every 30 days.

Q Mr. In regard to the supervision [illegible] could you just tell exactly what degree of supervision [illegible] by the regional office [illegible] in regard to this account?

A Well, once a month we would get a list [illegible] receivables, which was the number [illegible] in liabilities outstanding for each [illegible]

THE COURT:

Would you like to have it [illegible] or [illegible]

That would be the one, yes. [illegible] the type of item we [illegible] and [illegible] outline the nature of [illegible] and in that list we would go [illegible] [illegible] look over it in the accounts, [illegible] [illegible] [illegible] [illegible]

and normally, from my view, it was because they were in one area. We would go out and do the Raymond District, and pick up as many as we could in that one day, and also, he knew where these farms were located, and could lead me to them much more rapidly than my finding them myself, but aside from that, there were two other inspections informed, over which he had no jurisdiction. The first was the takeover of the account, when I selected from a list, a current list of the members and their accounts, not one of these normal monthly reports.

MR. PROWSE:

Q Now, this was at the time you took over from the Royal Bank?

A This is at the time we took over from the Royal Bank, and I went through and selected at least 20 names, just in alphabetical order, for no particular reason, and those names were visited, and they were not in one area, they were spaced all over the place, and it took us two days to do it, so that this had to be an absolute surprise visit, because he was not aware of where we were going, and the other occasion was at the amalgamation, or just after amalgamation, when the new Bank Inspectors visited my branch, before they even appeared on the scene, in the branch, they were out two days, the Senior Inspector was out two days in the area, and he told me he checked 20 of the accounts, without contacting Central Feeders or me,

and when he got through that inspection he said, there is a few, three or four accounts here I want to check out with their office, but generally they were all in order, and when he got through that he was satisfied with all of them.

Q What date was that, Mr.--- Roughly?

MR. PROWSE: Amalgamation was June of 1961, so--

A It would be in the fall of 1961, I would think.

MR. PROWSE:

Q Now, was Mr. Hatch pleased with this surprize audit?

A He was quite excited, because he phoned me on a couple of occasions and said, "He's exciting all these members, they don't know what's going on", and I must admit, I was excited too, because I thought it was rather an unfair treatment to an account of this status.

Q But---

A But I was assured by the Inspector this is normal practice, and a perfect right.

Q Now, with regard to these monthly statements that you got, did they ever indicate anything to you?

A Well, we would check them off against the contracts, to see that the amounts to each individual did not exceed the contract. There was occasions when they did, but theywere very modest amounts, usually, and at the year end we would check this list with the audited statement, and it would check out.

Q Now, what reporting did you do to your superior, periodically,

in regard to the---

A Well, to start with, I reported every month, and that was becoming onerous---

Q And what type of report was that?

A A report of these visits, 10 to 15 feeders, and we would report on whether the cattle were branded or not, whether they were in good condition, whether the feed supply was adequate, and that kind of thing.

In other words, any discrepancies, including any excess credit. If the account was over its authorized credit we would report on that situation, as well, as to what steps were being taken to right the situation.

Q Now, during the course that this was under your direct supervision, did you have reason to speak to the Directors at all, or the Officers?

A Well, I attended an annual meeting, and spoke to them casually. They welcomed me to the meeting, but other than that the only member of the Board of Directors was the president, who would call on me regularly, at least once a month, but he was just discussing as to whether there were any things that were troubling me, and how the account was operating, and was there anything that I wanted to bring to his attention. Generally, it was the branding problem.

Q Fine. That's all.

THE COURT:

Q Mr. Bradstock, did you, at any time, have any reason to

in regard to these--

A Well, to start with, I reported was [illegible] an that was becoming dangerous--

Q And what type of report did you

A A report of these visits is in report or whether the pilots were [illegible] they were in good condition, whether adequate, and that kind of thing.

In other words, any discrepancy [illegible] credit. If the account was [illegible] would report on that situation [illegible] were being taken to right the situation

Q Now, during the course the [illegible] supervision, did you have [illegible] at all, or the officers

A Well, I attended an annual meeting, [illegible] casually. They welcomed [illegible] that the only member of the board of directors was the president, who would call on me regularly [illegible] a month, but he was just discussing as to whether there were any things that were [illegible] was operating, and was [illegible] that I [illegible]

believe that false statements were being presented to you?

A No, Your Honour, I did not.

Q It came as a complete shock to you, I presume---

A An absolute shock.

Q That this had been carried on for several years.

A I imagine it was possibly a bigger shock to me, than to Mr. MacLean, because I was the originator of this account with the bank.

Q I see. I was just wondering, we have been talking about themfor days, and I haven't kept a list of them, I'll just have to look here, maybe this one's right, I don't know. August 31st, 1960, yes, this one happens to be right. Did you know anything about these transfers? Perhaps you've heard about them from, to Johansen, and to Bishop, and to Wilde?

A I knew nothing about them prior to reading them in the transcript, which I did when I came in Sunday.

Q And these arrangements were not made with your consent?

A Or with my knowledge.

Q Or with your knowledge. This, was there a discussion with you, with reference to the building of the holding pens, and the aim of the marketing company, the blossoming out into three divisions instead of one, and making a big deal of it?

A Oh, yes.

Q There was discussions?

A There was a full discussion of each of those developments, because they required the authorization from head office.

Q For extra capital?

A That's right. The understanding under which we advance them money is that they would not go into any capital ventures without the bank's approval. The benefits of these things were fully explained to us, and they seemed logical and would further the ends of the Association.

Q Then the account did grow quite rapidly?

A Well, yes.

Q I just took off the figures from these annual statements.

A I would say in the period of the three years that I was administering the bank's end of it, it would probably have doubled in that period.

Q Yes, that's about right.

A But there was also, in that period, there wouldn't be a double holding of the volume of cattle, there was also a good healthy increase in market prices at that time.

Q It went up and down?

A Yes, but I can recall 28 and 29 cent cattle, which you haven't got today.

Q That's right. Did you know that there has been a continuous argument between the Royal Bank and the Associationfor several years?

A No, nothing, other than what was passed on to me at the time they were considering the application, that they

There was a full discussion of each of those developments, because they required the authorization from head office.

Q For extra capital?

A That's right. The understanding under which we advance them money is that they would not go into capital ventures without the bank's approval. The benefits of these things were fully explained to us - - they seemed logical and would further the aims of the association.

Q Then the account did grow quite rapidly?

A Well, yes.

Q I just look off the figures . [illegible] astonishing.

A I would say in the period of the [illegible] that I was administering the bank's and if it, it would probably have doubled [illegible] that period.

Q Yes, that's about right.

A But there was also, in that period [illegible] Dunlaff as a double holding of the volume or [illegible] there was also a good healthy increase in market prices at the time.

Q It went up and down?

A Yes but I can recall 38 and 39 cent cattle which you aren't got today.

Q That's right. Did you know that there was been a [illegible] between the Royal Bank and Jeffs [illegible] years?

[illegible] that was an

thought they were being very petty, and I remember this one key point of this heifer business, where they became bred, and the Royal Bank made a real big issue of this.

Q You didn't know that they had approached the Bank of Montreal, and the Toronto-Dominion, and---

A I wasn't aware of that.

Q Not aware of that. It's in the minutes.

A I didn't see the minute book---

Q No, well, it's quite a time before. I am not saying at the same time.

A No.

Q In fact, there is one minute where they were going to take out the reserves, out of the Royal Bank, they were afraid they were going to take them.

A Well, the first I saw of that was in the transcript, I think it is mentioned there.

Q Now, did you give Mr. Hatch a free hand so far as issuing cheques?

A No, no. He wasn't the sole signatory on the signing authorities.

Q Well, who was the---

A I think he and the Office Manager were the signing authorities.

Q Well, who was the office manager?

A Mr. Peterson.

Q Mr. Peterson, yes, but there was no Director required?

A No.

thought they were being very petty and I remember this one key point of this letter [illegible] became used, and the royal Dark made a deal [illegible] You didn't know that they had approached the Bank of Montreal, and the Toronto-Dominion, and--

I wasn't aware of that.

Not aware of that. It's in the main

I didn't see the minute book---

No, well, it's quite a time before [illegible] at the same time.

No.

In fact, there is one minute where [illegible] going to take out the reserves, out of the Royal [illegible] they were going to take them.

Well, the first I saw of that [illegible] I think it is mentioned there

Now, did you give Mr. Keith a free rein [illegible] as leading counsel?

No, no. He wasn't the sole authority on the signing authority, [illegible].

Q There used to be, or, I guess, never when you took over?

A I don't actually recall. I don't think so, certainly not in the normal day's business.

Q No, I think the change was made before you took over. Did you keep a separate file on each feeder?

A No. We were lending to the Association a sum of money, and the only separate aspect was the reporting at the end of the month, and the members receivable lists, and also at the end of the year when we would go over, in detail, the entire set-up.

Q Well, that's the end of the year, you mean by March, the end of March, these large---

A Yes, that's right. This was to enable the application for the credit for the ensuing year.

Q New credit?

A Yes.

Q Well, have you had, did you have any experience before that with Government guaranteed feeder associations?

A You mean me, personally, or---

Q Well, as a manager?

A No, I knew of them.

Q You knew that their system was that each feeding was by itself, and it was cleaned up, and they were sort of careful not to overlap too much, would that be fair?

A Yes, yes. They were on explicit, I think it was six month periods.

There used to be, or, I guess, here what you [illegible]

A I don't actually recall. I doubt [illegible] certainly not in the normal day's business.

Q No. I think the change was made [illegible] you keep a separate file or book.

A No. We were lending [illegible] the Association [illegible] money, and the only separate report was the report [illegible] the book. And the member [illegible] also [illegible] the end of the year when we would [illegible] a total [illegible] entire set-up.

Q Well, [illegible] the end of the [illegible] I mean [illegible] before, the end of March, these large [illegible]

A Yes, that's right. This was to [illegible] the credit for the ensuing year.

Q New credit?

A Yes.

Q Well, have you had, did you ever [illegible] with Government guaranteed [illegible]

A You mean me, personally, or--

Q Well, as a manager.

No. I knew of them.

You knew that there [illegible] was that each [illegible] --

[illegible] and they were sort of

Q That's right.

A And they had to clean up before they went on to another---

Q To another feeding. Now, in looking over the records in many years before, it would appear that that is the way this started out many years ago?

A Yes. I think the reason, though, is that the feeding industry has changed over the years. Feeding in those days---

Q It's continuous---

A Was more or less a part time situation for certain periods for a regular farmer. He wasn't a year round feeder, which is the kind of thing we are seeing today.

Q Well, there were, of those 170 people some of them did become year round feeders?

A Yes.

Q That's right. And to that extent the control that was there beforehand was sort of lost, wasn't it?

A In that there wasn't the six month clean-up.

Q Well, there was never a clean-up in some of these.

A That's right. But there was a turnover, and it was the turnover we would review at the end of the year.

Q Yes, but that enabled the mixing of accounts which occurred, and the fictitious transfer of credits, and all that sort of thing that did come about.

A Well, with the growth of the organization, that would be a contributing factor too.

That's right.

And they had to clean up bar [illegible] they were

Q To another feeding. Now, in coming [illegible] in reviewing a many years before, it would appear that [illegible] this started out many years ago.

A Yes. [illegible] the reason, [illegible], is that in recent industry has changed over the years. [illegible] days---

Q It's continuous---

A Was more or less a part time [illegible] [illegible] for a regular farmer. He wasn't a year round [illegible] [illegible] is the kind of thing we are [illegible]

Q Well, there were, of those in people [illegible] [illegible] year round feeders?

Yes.

Q That's right. And in that current use [illegible] was there beforehand was sort of lost, was.

In that there wasn't the six month clean-up.

Well, there was never a clean-up in some of these.

That's right. But there was a turnover, and it was the turnover, [illegible] would review at the end of the year. [illegible] [illegible] the mixing of accounts which [illegible]

Q Yes.

A I mean, for instance, you couldn't hide $800,000.00 of defalcations in a million six feeder accounts, but when you go to three million or better you have got a larger---

Q Possibility.

A A lot of money to play with.

Q And when you left, in---

A It would be January, 1963.

Q They had a very high opinion of you, Mr.---

A Well, I shared, I had a high opinion of them.

Q As a matter of fact, they even sent a delegation to Calgary, according to the minutes, to see if you couldn't be kept here. Did you know that?

A No, I didn't know that.

Q Well, on July 10th, 1961, the President and the Supervisor reported on a meeting with Mr. Langfelt of the Canadian Imperial Bank of Commerce and reported that they had asked that Mr. Bradstock be left when the two banks were amalgamated. You didn't know anything about that?

A Oh, we had a meeting down here, where Mr. Langfelt visited Mr. Houlton and Mr. Hatch in the office at the yards, there.

Q Yes.

A And there was some mention of it then, but I don't know that they made any special trip anywhere. This was just a visit he was making.

Yes.

I mean, for instance, you [illegible] in [illegible] of dollars-tons in a million [illegible] when you go to three million or [illegible] larger---

Q Possibility.

A A lot of money to play with.

And when you left, in---

A It would be January 1953.

Q They had a very high opinion of you.

A Well, I charred, I had a high opinion

Q As a matter of fact, they even [illegible]

Calgary, according to the [illegible] be kept here. Did you know

A No, I didn't know that.

Q Well, on July 10th, 1951, the [illegible] reported on a meeting with Mr. [illegible] Imperial Bank of Commerce and [illegible] that Mr. Bradstock he left when the [illegible] amalgamated. You didn't know anything about that?

A Oh, I had a meeting down here, where Mr. [illegible] [illegible] in the office [illegible]

[illegible] it then, but I don't know [illegible] anywhere. That was

Q I see, well, that's probably it. No, it says, president reports--- No, this is another meeting. I am sorry, I may have misrepresented that.

Oh, I think that's it, thanks.

MR. PROWSE: There is just one more question. I don't want the idea created that when Mr. Brandley was selling cattle between November of 1961 and April of 1962 that the bank was reducing their own account at the expense of the Feeders.

Q Mr. Bradstock, can you tell me, did Mr. Brandley's indebtedness to the bank reduce in the period November of 1961 to April 1962, or did it increase?

A As I recall, it increased quite substantially.

Q And, approximately $30,000.00, or---

A $35,000.00, I would think.

Q Approximately $35,000.00.

A Well, they went from $95,000.00 to $133,000.00 over that period.

Q Yes. I had listed some payments there, so I didn't want you to think that we were passing the debt over to the Association.

THE COURT: I am sorry, Mr. Bradstock, but I think we should have shown you this Exhibit B-3, the letter from Mr. Hatch and Mr. Houlton to yourself on April the 19th, 1962. Do you remember receiving that?

A Yes.

I see, well, that's probably it. No, I [illegible] President reports--- No, this is another me[illegible] I [illegible] may have misrepresented that.

Oh, I think that's it, thanks.

MR. PROWSE: Thank[illegible]

I don't want the idea created the [illegible] Brazeau was selling cattle between November of 19[illegible] that the bank was reducing their own [illegible] of the feeders.

Q Mr. Bradstock, can you tell me, was [illegible] indebtedness to the bank reduce[illegible] 1961 to April 1962, or did it [illegible]

A As I recall, it increased quite [illegible]

Q And, approximately $40,000.00 [illegible]

A $25,000.00. I would think [illegible]

Q Approximately $15,000.00.

A Well, they went from $25,000.00 [illegible] period.

Q Yes. I had listed some payments there, so I hardly want you to think that we were pass[illegible] the debt over to the [illegible]

I am sorry, Mr. Bradstock, [illegible] I thought you have Exhibit No. [illegible]

Q And why was that letter written?

A It was written at a request from myself, in view of what had happened on the Brandley account, and to give head office some assurance that it wasn't prevalent in all the other accounts.

Q Are the statements---

A Or any other accounts.

Q In that letter by Mr. Hatch and Mr. Houlton, approximately correct, as to the actions of Mr. Brandley, so far as you knew?

A As far as I knew, yes.

Q You visited the premises, and these things had happened?

A Yes. This letter seemed quite in order to me.

Q At that time?

A Yes.

Q I see. That's all.

MR. MOSCOVICH: May I ask two questions arising out of the examination by my friend?

THE COURT: Yes.

MR. MOSCOVICH RE-CROSS EXAMINES THE WITNESS:

Q You knew the account of L. Mehew?

A I can remember that account, yes.

Q You knew the account of Ray Nelson?

A I remember the name, I don't remember it too clearly. Yes.

Q And you knew, without any difficulty, the account of Noel Brandley?

And why was that letter written?

It was written at a request from [illegible] said,

had happened on the Bounty [illegible] office some assurance that it was [illegible] the other accounts.

Are the statements--

Or any other accounts.

In that letter by Mr. [illegible] correct, as to the accounts [illegible] knew?

As far as I know, yes.

You visited the premises, and [illegible] Yes. This letter agreed [illegible]

At that time?

Yes.

I see. That's all.

Mr. MOSKOVICH. May [illegible] out of the examination by [illegible]?

[illegible] 1968.

[illegible]

A That's right.

Q You told His Honour, Mr. Bradstock, that the credits were, representative, were approximately right, except for a few which were nominally over the amount of the contract amount?

A That's right.

Q Now, it is said in the statement of Mr. Williams that L. Mehew had a contract amount of $40,000.00, and the records show that at the end of the year you left the local bank he was indebted in $68,181.24.

THE COURT: And there is some more on top of that.

MR. MOSCOVICH: Well, I am making it nice.

Q And this account of Ray Nelson was also a contract amount of $40,000.00, and the records indicated that at the end of December 31st, 1963, it was $83,926.08, and the record of Noel Brandley indicated that the contract amount was $20,000.00, and the record $46,920.64.

The reason I am drawing these items to your attention is, will you say with equal frankness to the other evidence, that the bank did not know that these abnormal amounts were incurred in, although you knew of some small amounts?

A Well, there was the odd indication, odd instance where the account was in excess for more than I would say was a nominal amount. Now, when that happened and I investigated through the Association, it was invariably what they call an overlap, where there is fat cattle ready for market and

an opportunity to buy new calves, and the new calves are in before the fat cattle are out, and the situation is righted in a matter of days.

Now, from memory I can't say that that was what happened in those accounts, but other than that, everything was in order as far as I am concerned.

Q His Honour pointed out several times that of the 170 members a handful owe the entire amount to the Association, and, I mean, about 9 or 10 of them are involved---

A You mean as far as this loss is concerned?

Q Loss is concerned.

A Yes.

Q I was just wondering whether the 7 other accounts, whoever they may be, weren't known to the institution? You understand my question, whether these excess credits weren't known, or suspected by the bank, in connection with these large loans?

A No, they were not.

Q Thank you very much.

MR. WEIR: Thank you, Mr. Bradstock.

(WITNESS STANDS DOWN)

MR. WEIR: Mr. M. H. Hyde.

MATHEW H. HYDE, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q You are Mr. M. H. Hyde?

A That's right.

Q Of Lethbridge, Alberta?

an opportunity to buy new cows
before the fat cattle are out,
in a matter of days.

Now, from memory I can't say in
those accounts, but other than
as far as I am concerned.

His Honour pointed out say a
a handful owe the entire amount
mean, about 3 or 10 of them are

A You mean as far as this loan or

Q Loss is concerned.

A Yes.

Q I was just wondering whether
they may be, weren't known to
my question, whether these women
suspected by the bank, in some

No, they were not.

Thank you very much.

MR WEIR :

(WITNESS STANDS DOWN)

A That's right.

Q I am showing you a ledger card that is in your name with the Feeders Association. Do you recognize this card?

A No, I never had anything to dowith it. I never---

Q Well, the thing that I am particularly interested in is this entry which is dated November 28th, 1958, there is a debit to your account of $2,450.05. Do you see that entry?

A Yes.

Q And this is the cheque in question, with an endorsement on the back. Is that endorsement yours?

A That's right.

Q Now, Mr. Hyde, you recall receiving this cheque?

A Yes.

Q Was this cheque in any way connected with a cattle transaction?

A No, it wasn't.

Q So, as far as you are concerned, there would be absolutely no justification, or at least, there would be no reason for the Lethbridge Central Feeders Association to be advancing this amount of money to you, personally?

A No. As a matter of fact, at the time I didn't pay enough attention to it, where the cheque came from. I got the money, that's all I was worrying about.

Q Now, I understand at that time there was an additional amount of money that you received. I am showing you another

exhibit that we have here, and it refers to this cheque of $2,450.05, and an additional amount of $1,000.00. You received this additional amount of money, did you?

A Yes.

Q Did you receive this yourself, personally?

A No. My son received the second thousand. I received the first thousand dollars, the first cheque.

Q This particular cheque here, $2,400---

A What year is this one?

Q November 28th, 1958. This is the cheque that you have just identified with your endorsement on the back, and it is referred to in the same statement here. You received this one?

A I received, yes, I---

Q But you didn't receive this $1,000.00 one?

A No.

Q Or, this isn't a cheque, this is just marked as a loan here--

A No, I don't---

Q With Don Hyde at the top. You didn't receive that?

A No.

Q Did you make any payments, whatsoever, on these two amounts, either the 1,000, or the $2,450.05?

A No, that was my son's account.

Q Yes.

A For my son.

Q And this particular document was executed, this is a chattel

exhibits that we have note, and -- [illegible] in the amount of $2,450.05, and an additional [illegible]. Did you receive this additional amount?

A Yes.

Q Did you receive this voucher?

A No. My son received the second item, [illegible] first thousand dollars [illegible]?

Q This particular check's her [illegible]

A What year is this one?

Q November 28th, 1958. This is identified with your endorsement referred to in the same [illegible] one?

A I received, yes. I---

Q But you didn't receive both?

A No.

Q Or, this isn't a coupon, [illegible]

A No. I don't---

Q With Don Wyde at the bank, [illegible]

No. [illegible]

[illegible] you make an [illegible] check, whatever [illegible] her the I---), or [illegible] $2,450.05?

[illegible] to [illegible]

mortgage. You are Mathew Hyde?

A Right.

Q So this is a chattel mortgage from Don Hyde and Joy Hyde, would that be his wife?

A That's right.

Q To you, of certain articles, here?

A That's right.

Q Now, what was the intention behind this document being executed by your son to you?

A Well, I was the one that the cheque was made out to, and my son was to make the payments on it, because the money was going to him.

Q Yes.

A At that time.

Q Well, this was security for this particular---

A Security, yes.

Q Did you reassign this particular chattel mortgage to anyone, to the Association---

A He signed that.

Q Pardon me? You didn't sign another document, similar to this, to anyone else, though?

A No.

Q I haven't any further questions at this point, Your Honour.

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q It was through the kindness and benevolence of Stewart Hatch when you were in a difficult position that you got

mortgagee. You are Mathew Hyde Rights.

Q So this is a chattel mortgage from h[illegible] and would that be his wife?

A That's right.

Q To you, of certain articles, Peter?

A That's right.

Q Now, what was the insertion [illegible] executed by your son to you:

A Well, I was the one that [illegible] was my son was to make the payments [illegible] was going to him.

Q Yes.

A At that time.

Q Well, this was security for [illegible]

A Security, yes.

Q Did you reassign this p[illegible] to the Association---

He signed that.

Q Pardon me? You didn't sign another document similar to this, [illegible] anyone else, [illegible]

No.

Q [illegible] at this point, Your [illegible]

[illegible]

[illegible]

the loan of $2,000.00?

A Very much so, I agree with you.

Q And it was the same kindness and benevolence that prevailed at the time that your son got the $1,000.00?

A That's right.

Q And did you say you have paid it back?

A I have paid most of it back.

Q Thanks very much.

MR. WEIR:

Q Well, have you, personally, paid anything back?

A Well, no, my boy is paying that back.

Q Oh, you haven't personally paid anything on---

A Not on that, no.

Q On it? Okay.

THE COURT: That's on the 2600?

MR. WEIR: Well, that's on the $2,450.00, or the $1,000.00.

THE COURT: $1,000.00.

MR. WEIR:

Q You haven't repaid anything on those?

A No, not on that.

THE COURT:

Q You didn't pay anything on the $1,000.00? You haven't paid anything on any of this?

A No, not on that, I have paid nothing on there.

Q At all?

the loan of $2,000,000?

A Very much so, I agree with you.

Q And it was the same Kirkness and Cone, who prevailed at the time that your son got the $.

A That's right.

Q And did you say you have paid it back?

A I have paid most of it back.

Q Thanks very much.

MR. WEIR:

Q Well, have you, personally, paid any

A Well, no, my boy is paying that back.

Q Oh, you haven't personally paid a

A Not on that, no.

Q On it? Okay.

THE COURT: That's a

MR. WEIR: Well then

of the $1,200,000.

THE COURT:

MR. WEIR:

You haven't repaid anything on behalf

No, not on that.

COUR:

Going on the $1,000,000 you

A No.

Q Either on the $1,000.00, or the 2400?

A No, that was for my son.

Q That's right. Alright, thank you very much.

MR. PROWSE: I have no questions.

THE COURT: That's all, thanks.

(WITNESS STANDS DOWN)

DON RICHARD HYDE, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q Your name is Don Hyde?

A Right.

Q You are from Calgary?

A Right.

Q And you are the son of the previous witness?

A Right.

Q And you executed this chattel mortgage that I am referring to here?

A Right.

Q Along with your wife?

A Right.

Q Do you recognize this document here, that I showed your father?

A I have seen it once before, yes.

Q Did you receive this $1,000.00, that's marked loan---

A Yes.

Q Which is dated October 15th, 1958?

A Yes.

Q And did you receive the money that is mentioned in this particular cheque, November 28th, 1958?

A Right.

Q This$2,450---

A Right.

Q And 5¢. Now, there are a number of payments referred to on this particular statement, which Exhibit A-15, and I believe they total $1,630.00. To whom were these payments made? Did you make these payments?

A Yes.

Q You made each and every one of these payments?

A Yes.

Q And to whom did you make these payments, totalling $1,630.00?

A Stewart Hatch.

Q You made them to Stewart Hatch?

A Yes.

Q By cheque?

A Money orders.

Q By money orders. Did you make any other payments, in addition to these?

A Here is the first $1,000.00---

THE COURT: Just speak up, please.

A This is a note on the first $1,000.00, it shows the first $1,000.00 being paid off.

THE COURT:

Q Yes.

A And the additional monies, there were additional monies paid off. I requested a statement from Mr. Hatch, I can't recall quite how long ago it was, showing a balance of 1400 and some odd dollars. Since that time there have been several payments made, and---

Q To Mr. Hatch.

A To Mr. Hatch. All the monies was paid to Mr. Hatch, yes.

MR. WEBB:

Q Well, now, I may be incorrect here, it looks like, at the bottom of this statement here, that there is a balance outstanding at $2,656.85?

A I sure don't agree with it.

Q Well, what would be incorrect on this statement? Would it be the amount of payments? Would you have made more payments?

A I believe I have made more payments.

Q You believe you have made more payments?

A Yes.

Q Was there any amount of this indebtedness discounted to you by Mr. Hatch?

A No.

Q Or any such term you can forget about a certain portion of this account?

A No.

Q But, yet you account the difference being the fact that you did pay more monies?

A Yes.

Q And all of these monies went to Mr. Hatch?

A Yes.

Q Would you have a record of exactly how much money it was, to prove this?

A I have his letter someplace, I don't know, I don't have it here with me. I have his letter someplace, but I don't have any money orders---

Q Well, what would this letter have said? This was a letter from him to you?

A A letter from him to me.

Q And what would this letter have said?

A It just gave a breakdown of all the payments that had been made up to that point, showing a balance of 1400 and some odd dollars.

THE COURT:

Q Didn't you think you should bring that here today, Mr. Hyde?

A I have looked all over for it and haven't been able to locate it.

Q Oh.

A But I talked this over with Mr. Williams when he was in Calgary.

Q I see.

MR. WEIR:

Q. Yes you account the difference being that you did pay more money?

A. Yes.

Q. And all of those money orders?

A. Yes.

Q. Would you have a receipt or anything from to prove this?

A. I have his letter complete. I didn't keep the more with me. I have his letter complete. I have the any money orders---

Q. Well, what would this letter have said from him to you?

A. A letter from him to me.

Q. And what would this letter have said

A. It just gave a breakdown of the [illegible] made up to that point, showing a certain [illegible] dollars.

THE COURT:

Didn't you think you should write that down [illegible], [illegible] looked all over for it [illegible] been able to

Q Do you think that the difference could, in any way, be accounted for by interest? What interest were you paying on this?

A 6%.

Q 6%. So it couldn't be accounted for in interest?

A No.

Q Have you seen this account of the Association in your father's name?

A Never seen it before.

Q Did you think, at all times, that you had borrowed the money from Mr. Hatch, personally?

A Right. Until Mr. Williams had told me, before I didn't notice it.

Q Was this money in any way used for cattle dealings, or anything involving cattle?

A No.

Q Feed, or any such thing?

A No.

Q Well then, if you didn't know of the existence of this account, I presume you wouldn't know how it moved around in other accounts, then?

A No, I know nothing about it.

Q I have no other---

THE COURT: What's on the back of the---

Could we keep this as an exhibit, Mr. Hyde, and we can send it back to you later?

A Yes.

Q We will mark it then, in a minute.

Well, I notice, Mr. Hyde, that on this note for $1,000.00 you had fully repaid it, the note is dated October the 21st, 1959.

A Right.

Q Well, how could you repay it before that?

A This is the note that my father gave back to me. I believe Mr. Hatch had had that all along, and he was keeping a payment schedule on it, himself.

Q Yes, but the note is dated October 21st, 1959, correct?

A I don't know, I can't---

Q See?

A Yes, I see the date.

Q Alright. Now, you look on the back and it says, pay to the order of S. W. Hatch, and then on January the 1st, 1959, you pay $150.00, and Mr. Hatch's initials, February the 17th, 1959, you pay some more, March 26th, 1959, you pay another $150.00, April, $150.00, May, $150.00, June 18th, 1959, $150.00, and then he gave you an interest rebate, there is a rebate here of $110.31, left a balance of $100.00, and you sent a money order for $100.00?

A Yes.

Q Now, where did somebody get wrong on the date? The note is dated in October of 1959, and it is all repaid by June, 1959?

A Yes.

Q Well, I recite, Mr. Hyde, that [illegible] you had fully repaid it, the note [illegible] Just, 1959.

A Right.

Q Well, how could you repay it [illegible]

A This is the note that my [illegible] Mr. Hatch had had that all along [illegible] payment schedule on it, mimeo[illegible]

Q Yes, but the note [illegible] dated October [illegible] I don't know, I can't---

Q Sec?

A Yes, I see the date

Q All [illegible]. Now, you look on the [illegible] the order of S. W. Hatch, and [illegible] 1959, you pay $150.00, and [illegible] the 12th, 1959, you pay [illegible] March [illegible], 1959, you pay another $150.00, April, $150.00. [illegible] June 12th, 1959, $150.00, and then he says you [illegible] is a refund of $[illegible]. [illegible] a balance of $100.00, [illegible] sent a money order for [illegible].

A I don't know.

MR. MOSCOVICH: Probably should be 1958, Your Honour.

MR. PROWSE: Might be the due date there.

THE COURT: Might be.

MR. PROWSE: Put on the front.

THE COURT: Is that it?

MR. WEIR: On demand, after date, for value received we promise to pay.

THE COURT: Oh, well it may have been, then, that that is the due date, although---

MR. WEIR: Well, interest is from that date though.

MR. MOSCOVICH: Well, he got a rebate, so no squawking.

THE COURT: Well, let's check these payments with this statement. One, two, three, four,---

MR. WEIR: Would you like to go over them individually, Your Honour?

THE COURT: No, just a minute.

Q Well, Mr. Hyde, according to this statement on the back of the note you paid $150.00 on January 1st, 1959, and that is shown on the statement, and it is shown on the note.

A I believe they got the records on there from that note. I gave that note to Mr. Williams, and he made copies of it.

Q Oh, I see, I see. But they didn't put the $100.00 in that

you paid, on this record?

A I don't know.

Q Because it says, by money order, $100.00?

A I have never read it. It was handed to me, I kept hold of it, and that was it.

Q Well, after this note is shown as being fully paid, shortly after June the 18th, 1959, by a money order of $100.00, this statement then goes on to say that you paid $150.00 on September the 15th, $300.00 on March the 15th of the next year, 1960, and $130.00 on June the 15th, of 1960. You are sure you made those payments?

A Yes.

Q How did you make them?

A Money orders.

Q Money orders. To Mr. Hatch?

A To Mr. Hatch. The first thousand dollars I got from Mr. Hatch was a cheque from himself.

Q Yes.

A And I naturally presumed that the balance of the money that came was his own money, I didn't know the difference.

Q I see.

A We didn't know this was company money.

Q Did you get this note back when you had paid it off, or---

A No, my father did, I don't know what I got.

Q Your father got it back, eh? Because it would appear that you paid $580.00 after the last payment on this note.

Q Yeah, on that records?

I don't know.

Because it says, by money order, $[illegible]

A I have never read it. It was handed in [illegible] of it, and that was it.

Q Well, after this note is shown [illegible] after June the 18th, 1959, by a [illegible] this statement then goes on to say [illegible] on September the 15th, $300.00 on a [illegible] next year, 1960, and $130.00 on [illegible]

You are sure you made those payments?

A Yes.

Q How did you make them?

A Money orders.

Q Money orders. To Mr. Hatch?

A To Mr. Hatch. The first shipment during Mr. Hatch was a cheque from Nipissing.

Yes.

And I naturally presumed that his [illegible] in the money [illegible] own money, I didn't know any [illegible].

[illegible] was [illegible] money.

[illegible] Yes

A Yes, there is quite a bit more than that paid on it.

Q Pardon?

A There was more than that paid on it, because we had a letter from Mr. Hatch at one time, showing a balance at 1400 and some dollars, and then there were further dollars paid after that.

Q Yes. Alright, thank you. Any questions?

MR. PROWSE: No, none.

MR. WEIR: Thank you, Mr. Hyde.

(WITNESS STANDS DOWN)

THE COURT: We will mark this as A---

MR. WEIR: Adolf Karl, please.

THE COURT: The next after, the A series.

CLERKOF THE COURT: It will be A-24.

THE COURT: A-24.

EXHIBIT NO. A-24
Document.

ADOLF KARL, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q Your name is Adolf Karl?

A Yes.

Q And you have a farm at Picture Butte?

A Yes, I do.

THE COURT: Would you speak up a bit so we can all hear you, Mr. Karl?

A Okay.

A Yes, there is quite a bit more than 1/8 [illegible]

Q Pardon?

A There was more than that paid on it [illegible]

letter from Mr. Hatch at one time, showing a [illegible]

Q Yes. Alright, thank you. Any questions

MR. FROWSE: No, none.

MR. WEIR: Thank you, Mr [illegible]

(WITNESS STANDS DOWN)

THE COURT: We will mark [illegible]

MR. WEIR: [illegible]

THE COURT: The next [illegible]

CLERKOF THE COURT: It will [illegible]

EXHIBIT T M
Document.

ADOLF KARL, having first been duly sworn, examined by Mr. Weir testified as follows:

Q Your name is Adolf Karl?

A Yes.

Q And you have a farm at Pleasure Bureau?

A I do.

Q Would you speak up a bit so we

MR. WEIR:

Q I see that according to your ledger card as at March the 24th, 1964, you have a nil balance?

A Yes, that's true.

Q Now, what I am particularly interested in are several items in around this date of January, 1962.

On January 2nd, 1962, here is a cheque to you by the Feeders Association in the amount of $15,000.00. Now, that's one cheque that, and this is your endorsement on the back of the cheque?

A Yes.

Q This is one part of the entry that I am concerned with. Now, that particular cheque does not appear in your ledger card, because that particular cheque is charged to another account, the cattle trading account?

A Yes.

Q But I want you to follow through your particular account so we can see what happened?

A Yes. Well, I think I can possibly explain that. You see, I borrowed, this $15,000.00 is money that I borrowed from the Association.

Q Well, you originally put $15,000.00 into the Association, didn't you?

A No. This is Association money that I borrowed and put into my bank, and you will notice, there should be two entries.

Q Well, let me go through the series of entries, at least,

MR. WEIN:

Q I see that according to your ledger card as of March the 24th, 1964, you have a nil balance.

Yes, that's true.

Q Now, what I am particularly interested in [illegible] items in around this date of January, 1962. On January 2nd, 1962, here is a check [illegible] Federal Association in the amount of $[illegible]. That's one cheque that, and this is your [illegible] on the back of the cheque?

A Yes.

[illegible]

ledger card. Because that partici[illegible] to another account, the cattle trading acc[illegible]

A Yes.

But I want you to follow through very particul[illegible] so we can see what happened?

A Yes. Wel[illegible] I think I can possibly explain the[illegible] You see, [illegible] borrowed, this $15,000.00 is money that [illegible] borrowed from [illegible] Association.

[illegible] you originally put $15,000.00 into the Association, [illegible] is your[illegible]

[illegible] I borrowed and put into [illegible] there would be two entries, [illegible] entries of entries, at least,

I think I have got it pretty well pegged here, although I may be wrong.

First of all, on December 27th you put in $15,000.00. This is December 27th, 1961, self, $15,000.00.

A Yes, that's true.

Q Okay. Now, the next item in 1962 is a journal entry, and as you see, the figure, $10,730.29.

Well now, here is the interesting journal entry that has already been discussed previously, it's a debit to your account of this $10,730.29.

A Yes.

Q Which is outlined in journal voucher No. 208. Now, the credits against this particular thing, now, this is a charge to your account, now, as you saw right here?

A Yes.

Q The credits, it is a credit to Pacific Meats, which it says, N.A.B.

A Yes.

Q And you realize what that means, Non-Association business?

A No, I don't.

Q Well, in any event, it's a credit for $4,708.08.

A Yes.

Q Now, just, I haven't got that card in front of me, but I believe that wipes out the balance, as I recall, of that particular account. Then comes another credit, Lethbridge Third Ward, N.A.B., $3,320.21, and that credit wipes out

I think I have got it pretty well pressed here, although I may be wrong.

First of all, on December 27th you put in in December 27th, 1963, said, $15,000.00

Yes, that's true.

Q Okay. Now, the next item in 1962 is a source as you see, the figure, $10 730.29

Well now, here is the interesting journal one already been discussed previously, it's account of this $10,730.29.

Yes.

Q Which is outlined in journal voucher 10 on credits against this particular thing.

charge to your account. Now, as you can read

Yes.

Q The credits, it is a credit to Equity Means which is N.A.B.

Yes.

And you realize what that means, Non-Association interest

A No, I don't.

Q Well in any event, it's a credit for $4,108.08.

Yes

the account of the Lethbridge Third Ward. Then comes another credit, M. H. Hyde, $2,702.00, and that wipes out the balance left outstanding in the account of the previous witness.

Now, it is difficult to understand these credits here, and I am, I was originally wondering if you were being charged this money without justification. However---

A Well, it appears that way, yes.

Q Yes. Well, if you follow through another entry, this particular journal entry which comes not immediately thereafter, but the next entry after that, March 8th, 1962, there is a debit to your account of $4,269.71, and this is the journal voucher in question, No. 236, which is that particular amount. You see that, and it credits cattle, the cattle trading account.

A Yes.

Q That is the particular account that was never reconciled, for your information, since 1957. Now---

A Since 1957?

Q No, this is the cattle trading I am talking about.

A Oh.

Q I am not talking about your account.

A Oh, I see.

Q No, your account has a nice nil balance. Now, if we take those two items that we have just been referring to, the $10,730.29, plus the $4,269.71 that we have just been

the account of the Lockridge Third Ward.

another credit, M. H. Hyde, $2 202.00,

out the balance left outstanding in the

previous witness.

Now, it is difficult to understand

I am, I was originally wondering if

this money without justification

Well, it appears that way, yes

Q Yes. Well, if you follow through on

particular journal entry which

the earlier, but the next entry after

there is a debit to your account in

the journal voucher in question, No. 21

particular amount. You see that

the cattle trading account.

A Yes.

Q That is the particular account that we

for your information, since 1957.

A Since 1957?

No, this is the cattle trading I am talking about.

Q Yes.

I talking about your account

discussing, they equal $15,000.00.

Now, as I understand it, this $15,000.00 that you put into the Association in December, which is marked in your ledger card, as you just saw---

A Yes.

Q Is balanced by these two debit entries that we have just been discussing, which cancel out three other accounts, and how you got your money back was in the form of this particular cheque, which was involving the cattle trading account.

Now, you see there has been a lot of involvements here, a lot of accounts, for you to put $15,000.00 and to get $15,000.00 out, but were these series of entries made in your account, to your knowledge?

A No.

Q Did you have any knowledge of them, at all?

A No.

THE COURT:

Q Here is the Pacific Meat, is it 4708?

MR. PROWSE: Yes.

MR. WEIR: I believe so.

THE COURT: Here is the ledger.

MR. WEIR: 4708 and 8¢.

THE COURT: Here is the ledger card, 4708.08.

MR. WEIR: You see, this wipes out the balance in that particular account. You have no knowledge about

discussing, they equal $13,000.00.

Now, as I understand it, this $13,000.00 that was put into the Association in December, which is marked in your ledger card, as you just saw---

Yes.

is balanced by these two debit entries that we have been discussing, which cancel out three other ones and how you got your money back was in the form particular cheque, which was involving the same trading account.

Now, you see there has been a lot of involvements here a lot of accounts, for you to put $15,000.00 [illegible] $15,000.00 out, but were these series of entries [illegible] your account, to your knowledge?

A No.

Q Did you have any knowledge of them, at all?

A No.

THE COURT:

Here is the Pacific Meat, is it [illegible]?

MR. PROWSE: Yes.

MR. WEIR: I believe so.

THE COURT: [illegible] Here is the ledger.

[illegible]

Here is

these entries, at all?

A No, I didn't know.

Q The only thing you know for sure is the fact that you put $15,000.00 in, and you got $15,000.00 out?

A That's true.

Q I haven't any further questions, Your Honour.

THE COURT:

Q You didn't owe the Third Ward $2400.00?

A No.

MR. WEIR: No, it's 3,300---

THE COURT: Or whatever it is?

A No.

THE COURT:

Q You didn't owe Pacific Meat?

A No, I didn't.

Q You didn't owe Mr. Hyde, the last witness?

A No, I don't even know Mr. Hyde.

Q You didn't owe any of them?

A No.

Q Didn't know anything about it. Fine.

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q You borrowed, you said, $15,000.00?

A Yes, yes.

Q You were good enough to pay back $15,000.00?

A Well, I did, yes. I mean, I borrowed this money from the Association---

chase estate, as a:

A No, I didn't know.

Q The only thing you knew for sure is the loan put $15,000.00 in, and you got $15,000.00 out?

A That's true.

Q I haven't any further questions. Your Honor.

THE COURT:

Q You didn't owe the Third Ward $24,000.00?

A No.

MR. WHITE: No, it's 3,300---

THE COURT: Or whatever it

A No.

THE COURT:

Q You didn't owe Pacific Mart?

A No, I didn't.

Q You didn't owe Mr. Hyde, the loan witness:

A No, I don't even know Mr. Hyde.

Q You didn't owe any of them?

A No.

Q Didn't know anything about it. Fine.

MR. MOSKOWITZ: EXAMINING THE

Q Yes, just, you owe them nothing?

A I owe them nothing.

Q They owe you nothing?

A Thatis true.

Q That's good bookkeeping.

A Yes.

MR. WEIR: Well, at least, Mr. Moscovich, it balances out, anyway. It is rather confusing to figure it out, but when we eventually see it, at least it balances.

THE COURT: Mr. Prowse?

MR. PROWSE CROSS EXAMINES THE WITNESS:

Q The only thing I wanted to confirm, you never ever looked at your ledger card, did you?

A No, I had no reason to.

Q Fine.

THE COURT: That's all.

MR. WEIR: Thank you, Mr. Karl.

(WITNESS STANDS DOWN)

MR. WEIR: Mr. Williams.

JOHN A. WILLIAMS, having first been duly sworn, examined by Mr. Weir, testified as follows:

Q Now, Mr. Williams, before we ask any questions I want to alert our next witness, Mr. C. W. Heninger.

We are calling Mr. Williams, Mr. Heninger, to assist us in understanding a series of entries, and we think it might help to assist you, although it is possibly you already

Yes, Mam, you owe them nothing?

I owe them nothing.

Q They owe you nothing?

A That's true.

Q That's good bookkeeping.

A Yes.

MR. WEIR: Well, at least, Mr.

It balances out, anyway. It is rather confusing

it out, but when we eventually see it, a

THE COURT: Mr. Prowse?

MR. PROWSE CROSS EXAMINES THE WITNESS.

Q The only thing I wanted to confirm.

at your ledger card, did you?

A No, I had no reason to.

Q Fine.

THE COURT: That's all.

MR. WEIR: Thank you Mr.

(WITNESS STANDS DOWN)

MR. WEIR: Mr. Williams.

JOHN A. WILLIAMS, having first

on line by Mr. Weir, testified as follows:

e we ask any questions I want to

W. Hemlager.

Mr.

would be aware of this, I don't know, but we will proceed.

Q Would you, you have a document in front of you, Mr. Williams, and I understand that this document is going to assist us in understanding some of the ins and outs involving this particular C. W. Heninger account, and transactions, which, as I recall, according to the special report, indicated that, as at December 31st, 1963, the Lethbridge Central Feeders Association owed Mr. Heninger the sum of approximately 73,000 some odd dollars.

A Yes.

Q You are going to explain this. The floor is yours.

A The first transaction that I have started with in the summary here is to do with an entry that was made in the records on the 17th of December, 1959, wherein Mr. Heninger's N.A.B. account was debited and the cattle trading account was credited in the amount of $34,986.27.

Now, that transaction is based upon an invoice which has gone through the auction, record No. 7722, I believe.

Q You are right, yes.

A Now, our information is that that isn't a cattle purchase. Now, on the next date, December the 18th, there was a cheque received from Mr. Heninger by receipt No. 3023 in the amount of $34,986.27, and credited to his Non-Association account, and the account then was left in a nil balance as of the, December the 31st.

Now, on the 4th of January, 1960, there was cheque No. 13169

would be aware of this, I don't know, but we will proceed.

Q Would you have a document in front of you, Mr. Williams and I understand that this document is going to assist [illegible] understanding some of the tax and owes involving [illegible] particular C. W. Hentiger account, and that [illegible] as I recall, according to the general report [illegible] as at December 31st, 1963, the Lethbridge [illegible] Farmers Association owed Mr. Hentiger the [illegible] of approx[illegible]ly 23,000 some odd dollars.

A Yes.

Q You are going to explain this. The first in [illegible]

A The first transaction that I have started [illegible] summary here is to do with an entry in [illegible] records on the 17th of December, 1963, th[illegible] [illegible]ger's N.A.B. account was debited and the [illegible] account was credited in the amount of $34,086.27.

Now, that transaction is based upon an invoice [illegible] as gone through the auction, record No. 1722. I believe [illegible]

Q You are right, yes.

A Now, our information is that that is a cattle purchase. Now, on the next date, December the 18th, there was a cheque received from Mr. Hentiger by receipt No. 1023 in the amount of $34,086.27, and credited to his Non-Association [illegible] [illegible]en w[illegible] left to a nil balance [illegible]

issued to Mr. Heninger in the amount of $18,000.00, and cheque No. 13170 issued on January the 5th, 1960, in the amount of $16,986.27.

Now, those two cheque in January of 1960 are debited to the cattle trading account. Now, the total of those two cheques appear to return to Mr. Heninger monies which were collected from him on December 18th, 1959, and we have a debit and credit---

Q December the 18th, did you say, 1959? Are you referring to this?

A Yes.

Q This account here?

A Returning that---

Q This $34,986.27?

A Returning it, yes.

Q Fine, okay.

THE COURT:

Q Did you mention a $17,267.12 in December of 1960?

A No.

MR. WEIR: No, that's later, Your Honour.

THE COURT: A little later.

MR. WEIR: Yes.

THE COURT: Alright, fine.

THE WITNESS: Alright, in December the 31st, 1960, there is a , there is two receipts recorded. Now, I am not sure whether it was one cheque or two cheques that

issued to Mr. Henninger in the amount of $18,000.00, and cheque No. 13170 issued on January 15th, 1960 in the amount of $16,986.27.

Now, those two cheque in January of 1960 are debited to the cattle trading account. Now, the total of those two cheques appear to return to Mr. Henninger monies which were collected from him on December 18th, 1959, and w been a debit and credit---

Q December the 18th, did you say, 1959? Are you referred to this?

A Yes.

Q This account here?

A Returning the---

Q This $34,986.27?

A Returning it, yes.

Q Fine, okay.

THE COURT:

Q Did you mention a $17 267.12 in December of 1960?

A No.

MR. WEIR: No, that's later, Your Honour.

A Little later.

Yes.

Alright, 1960.

Alright! In

was received, in that I haven't gone back and checked exactly from the deposit slip, but the amount that is recorded is $17,267.12, which is credited to an account of Mr. Horace Jones, and there is also another amount of $18,582.88 credited to an account of Mr. Jones. Then, on the 5th of January, 1961, there is two cheques from the Association to Mr. Heninger repaying those two amounts, both debited to the account of Mr. Jones.

MR. WEIR:

Q These are the two items that we have already gone over with Mr. Jones. Mr. Williams, am I not correct that the two cheques, as they are going out on January the 5th, isn't it, when they went out from the Jones account to Mr. Heninger, they were both on the same ledger card, and on the same ledger card appeared the 17,000 some odd dollar cheque, but the $18,000.00 one---

A Was on a different---

Q This is the one that was doing some jumping around in Mr. Jones several accounts, and, in fact, it was even moving around in March of that same year when the cheque came out, wasn't it?

A Yes, and a month or two later it was adjusted to bring both amounts into the one account.

Q Alright, fine. So, at least, they are moving around a lot, but at least they are balanced so far?

A Yes.

was received, in that I haven't gone back and checked
only from the deposit slip, but the amount that is
recorded is $17,267.12, which is credited to an account of
Mr. Horace Jones, and there is also another amount of
$18,582.88 credited to an account of Mr. Jones.
Then, on the 5th of January, 1951, there is two cheques
from the Association to Mr. Heninger repaying these two
amounts, both debited to the account of Mr. Jones.

Q MR. WEIR:

Q These are the two items that we have already gone over with
A Mr. Jones. Mr. Williams, am I not correct that the two cheques,
as they are going out on January the 5th, isn't it when they
went out from the Jones account to Mr. Heninger, they were
both on the same ledger card, and on the same ledger card
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Jones several accounts, and, in fact, it was even moving
around in March of that same year when the cheque came
out?

and a month or so late it was adjusted to bring it
back into the ( ) account.

they are moving around
in fact

Q Alright. Continue, please.

A Now, on the 9th of December, 1961, there was an entry, journal No.207, which is based upon an invoice with regard to 162,661 pounds at 24.75 for 168 head. Now, this invoice is in Mr. Hatch's handwriting, and we believe that it has no, is not represented by cattle, but it moves 21,337.84 from Bishop's account, which we---

Q This item of $30,407.62 that you are discussing?

A Yes.

Q Yes. What else moves?

A And there is $6,256.90 that comes from one account of Ray Nelson, and 12,663.87 which comes from an account of Ray Nelson and Meats.

THE COURT:

Q Nelson and who?

A And Meats.

MR. WEIR: Meats, M-e-a-t-s.

THE COURT: Oh, not Kline?

THE WITNESS: No.

THE COURT:

Q Not Kline?

A No. And $30,407.62 is debited to the N.A.B. account of Mr. Heninger, and 9,850.99 is debited to the account of E. S. Heninger to balance---

MR. WEIR:

Q To balance off these three credits in these three separate

Alright. Continue, please.

Now, on the 9th of December, 1951, there was a journal No.2027, which is based upon an invoice with to 162,661 pounds at 24.75 for 165 head. Now, this invoice is in Mr. Hatch's handwriting, and we believe that it has no, is not represented by cattle, but i 21,237.84 from Bishop's account, which we---

This item of 236,402.62 that you are discuss

Yes.

Yes. What else moves?

And there is $6,256.90 that comes from one account of Ray Nelson, and 12,661.87 which comes from an account

Nelson and Meeta.

THE COURT:

Nelson and who?

And Meeta.

MR. WEIR: Meeta, M-e-e-t-a.

THE COURT: Oh, not Alice?

WITNESS: No.

THE COUR: Whose

not

accounts that you have just referred to?

A That's right.

Q Now, at this stage of the game they are balancing, in any event?

A Yes.

Now, on December the 27th, by receipt No. 5287, there is the amount of 40,268.61. Now, I don't know whether that is received in one cheque or two cheques, but it is credited, 30,407.62 to the N.A.B. account of Mr. Heninger, and $9,850.99 to the account of E. S. Heninger, and that produces then, a nil balance in that account for the year end of December, 1961.

Now, on the 5th of January, 1962, cheque No.1871 was issued in the amount of 20,616.49, and cheque 1870 was issued to Mr. Heninger in the amount of 9,791.13, and this was debited to the cattle trading account in that year.

Then, on December the 31st, 1962, there was $65,000.00 received from Mr. Heninger through receipt 6393, of which $45,000.00 was credited to the N.A.B. account of Mr. C. W. Heninger, and $20,000.00 was credited to his membership account.

Now, at that stage there is a credit in that N.A.B. account.

Q In the amount of $45,000.00, that you referred to?

A $45,000.00.

Q Yes.

A Then, journal entry 352, on folio J29, was recorded a charge

accounts that you have just referred to?

That's right.

Q Now, at this stage of the game they are balancing, in any event?

Yes.

Now, on December the 27th, by receipt No. 5227, there is the amount of 40,268.61. Now, I don't know whether that is received in one cheque or two cheques, but it reads on 20,407.62 to the N.A.B. account of Mr. Henniger, and $9,860.99 to the account of F. S. Henniger, and it produces then, a nil balance in that account for the end of December, 1961.

Now, on the 5th of January, 1962, cheque No.1871 was issued in the amount of 20,616.49, and cheque 1870 Mr. Henniger in the amount of 9,791.13, to the cattle trading account in that year.

Then, on December the 31st, 1962, there was 25,000.00 received from Mr. Henniger through receipt 6392, of which 5,000.00 was credited to the N.A.B. account of Mr. G. M. Henniger, and $20,000.00 was credited to his membership account.

to Mr. Heninger of $45,000.00, and a credit to the cattle trading account, and the account then stands at a nil balance in the N.A.B. ledger for the year ended December 31st, 1962.

On January 2nd, 1963, the $65,000.00 was refunded to Mr. Heninger by cheques---

Q What do you mean, refunded? Returned to him again?

A Yes, paid to Mr. Heninger by cheque 3797, of which $45,000.00 was debited to the N.A.B. account there, and $20,000.00 was debited to the members account.

Now, in that members account there, or the N.A.B. account there was interest added of $2,813.50, in December, and there was monies received from Mr. Heninger in the amount of $73,780.71, of which $47,812.50 was credited to that C. W. Heninger N.A.B. account, to leave it in a nil balance at December the 31st, and $19,597.92 was credited to the cattle trading account.

Now, as of the year ended the 31st of December, 1963, we adjusted that $19,597.92 from the cattle trading account and set it up as a liability in the accounts payable, and we also set up the liability of $54,182.79 to Mr. Heninger. Your Honour, I left out one amount there, when I was showing the receipt of the payment from Mr. Heninger in December of 1963, the total was $73,780.71, but there is also an amount of $6,370.29 credited to E. S. Heninger's account to make it, the distribution, balance,

to Mr. Henninger of $45,000.00, and a credit to the cattle trading account, and the account then stands as a nil balance in the N.A.B. ledger for the year ended December 31st 1962.

On January 2nd, 1963, the $65,000.00 was refunded to Henninger by cheques---

What do you mean, refunded? Returned to him again

Yes, paid to Mr. Henninger by cheque 3797, of which $45,000.00 was debited to the N.A.B. account there, and $ 000.00 was debited to the members account.

Now, in that members account there, or the N.A.B. account there was interest added of $2,813.50, in December, and there was monies received from Mr. Henninger in the amount of $72 780.71, of which $47,812.50 was credited to that C. W. Henninger N.A.B. account, to leave it in a balance at December the 31st, and $19,597.92 was credited to the cattle trading account.

Now, as of the year ended the 31st of December, 1963, we adjusted that $19,597.92 from the cattle trading account and set it up as a liability in the accounts payable, and we set up the liability of $34 182.79 to Mr.

And then, in January of 1964, the $73,780.71 was paid back to Mr. Heninger by way of cheques No. 5847, and 5848.

Q Now, that completes the series of entries in the note?

A Yes.

Q Now---

THE COURT: Could we have that marked, Mr.---

MR. WEIR: Yes.

THE COURT: Williams, please. Exhibit A, whatever the next number on A is.

CLERK OF THE COURT: 25.

THE COURT: A-25.

EXHIBIT NO. A-25
Bookkeeping document.

MR. WEIR:

Q Now, Mr. Williams, I would like to ask just one question. How would you account, yourself, as an auditor, for these amazing series of entries, involving so many different accounts? Would you give us your professional opinion concerning these? I have my own ideas, but---

MR. MOSCOVICH: Better let us hear his.

MR. WEIR:

Q I would like to hear your professional opinion on this.

A By that question do you mean the reason that I think would be behind these series of transactions?

Q Yes. You have studies these transactions, and you have presented an excellent summary of all of the credits and debits, and certainly it is not an easy job to figure all

and then, in January of 1964, the $275 was paid to
to Mr. Heninger by way of cheques No. 3[illegible] and 3[illegible]

Q. Now, that completes the series of entries in

A. Yes.

Q. Now---

THE COURT: Could we have that marked Mr.---

MR. WEIR: Yes.

THE COURT:

whatever the next number is.

CLERK OF THE COURT: 25.

THE COURT: A-25.

EXHIBIT NO. A-25
Bookkeeping documents.

MR. WEIR:

Q. Now, Mr. Williams, I would like to ask just one
How would you account,yourself, as an auditor for these
amazing series of entries, involving so many di
accounts? Would you give us your professional opinion
con erning these? I have my own ideas, but---

MR. MOSCOVITCH: Better let us hear his.

MR. EIR:

Would like to hear your professional opinion on this.

A. Well, on do you ... the reason that I think would
[illegible] reasonable?

[illegible] and you be
[illegible] all of [illegible] dates
[illegible] Yes I [illegible] these

of these entries out. Now, after looking at them all, on one piece of paper, how would you summarize it?

A Well, from the point of view of the Association, we were informed by Mr. Hatch that Mr. Heninger wanted this arrangement made over the end of the year, and in view of the fact that he was available to make this arrangement with, and we had some balances in the, or there were some balances in the Association ledger that represented those Stienberg losses, that it was because of that that we persuaded the Board to change the year end to December so that these losses could be wiped out in the Association's records over the year end, and for three successive years that is what happened.

Q Well, didn't this alert you, as an auditor, when you saw this amazing series of entries, ins and outs at the end of the year, and credits to wrong accounts, debits to wrong accounts?

A Well, a nil balance in an account is one that you don't particularly concentrate on at a year end.

What I mean to say, it appears that there was a loan, it was paid off with interest, it appeared regular.

Q Let's say for the one particular one, the debit to Mr. Karl, I am sorry---

THE COURT: Oh, you are---

MR. WEIR: I am getting the other one.

THE COURT: Well, let's not get into that

Mr.--- We are going to ask Mr. Williams to come back on the last day.

MR. WEIR: Okay, fine.

THE COURT:

Q Mr. Williams, what was the net result of this, these transactions? Have you not shown a loss in the company books of that amount of money?

A Well, the net result is that through here, through these items that have gone through the cattle trading account, there is a charge to cattle trading which we have never succeeded in determining the offset of.

Q And that is 73,000, approximately, is it, or what?

A No. We were informed that this started with that $26,000.00 from Stienberg. Now, in the course of years from 1957 until 1963 it appears to have grown to about $60,000.00, or 54,000.

Q Well now, what relation is there in these transactions of Mr. Heninger? That is the point. Was it used to lull you to sleep, or to overlook these cattle trading losses, that is the point?

A Well---

Q Of what interest is---

A We know that through the increase in the debit to the cattle trading account, which occurred through these transactions, that there is some offset in credit which we have never ran down, in that it involved that detailed analysis of the

--- We are going to ask Mr. Williams to come back on the last day.

MR. WEIR: Okay, fine.

THE COURT:

Q Mr. Williams, what was the net result of this transactions? Have you not shown a loss in the company books of that amount of money?

A Well, the net result is that through here, through these items that have gone through the cattle trading account, there is a charge to cattle trading which we have never succeeded in determining the offset of.

Q And that is 73,000, approximately, is it, or what

A No. We were informed that this started with $26,000.00 from Steinberg. Now, in the count from 1957 until 1963 it appears to have grown to about $60,000.00, or $4,000.

Q Well now, what relation is there in these transactions of Mr. Hentgerg? That is the point. Was it used to lull you to sleep, or to overlook these cattle trading losses, that is the point?

A Well--

at interest at--

I through these transactions

credit wh--- have never ren

details of the

cattle trading account which was not considered feasible to undertake because of the time that was involved in doing it.

Q And the cost?

A And the cost, yes.

Q Yes.

A But it has proved the medium of concealing it.

Q I see. Any questions?

MR. MOSCOVICH CROSS EXAMINES THE WITNESS:

Q Yes. How much does the Association owe to Mr. Heninger?

A To my knowledge at this date, no amount.

Q How much is Mr. Heninger indebted to the Association?

A Well, assuming that these are artificial transactions, and on that assumption, then I would say no amount, but---

Q Everything is square.

A But there are vouchers that appear to be something more than, I might be incorrect in reading into it that these charges are all artificial, but---

Q Yes. How do you juggle these figures, yourself? I mean, it is almost an impossible task.

THE COURT: You just follow them through the way Mr. Weir and I have done for night on end here. For every hour we have sat I think we have worked three hours or four hours to try to understand these figures.

MR. WEIR: I think that's a low estimate, Your Honour, with all due respect.

account which [illegible] not consider

so undertake because of the time that was involved in going

[illegible]

Q And the coast?

A And the coast, yes.

Q Yes.

A But it has proved the medium of connecting it.

Q I see. Any questions?

MOSCOVICH CROSS EXAMINES

Yes. How much does the Association owe to Mr. [illegible]?

To my knowledge at this date, no amount.

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Well, assuming that these are artificial transac-

and on that assumption, then I would say no amount, because

Q Every thing is square.

But there are vouchers that appear to be controlling a

then, I might be incorrect in reading into it that these

charges are all artificial, but---

Q Yes. How do you juggle these figures, yourself? I mean,

it is almost an impossible task.

COURT: [illegible] You just follow them through the

right on and here. [illegible]

We have worked on

THE COURT: Yes.

MR. MOSCOVICH: Alright, we will take the Judge's estimate.

Q Mr. Williams, you would say, and I am not questioning your figures exactly, but you would say that the exhibit we just put in is as closely correct as can possibly be made?

A Well, it's a summary of the transactions, as we see them.

Q Thank you very much, Mr. Williams.

THE COURT: Mr. Prowse?

MR. PROWSE: No questions, Your Honour.

(WITNESS STANDS DOWN)

THE COURT: Well, I am sorry---

MR. WEIR: Your Honour, could we just call Mr. Heninger. I hate to see him go home. I realize it's---

THE COURT: Well, he doesn't liver very far, you know. He just lives two blocks from where I live.

MR. WEIR: Well, I don't think he will be very long, Your Honour, if the Court Reporter can---

THE COURT: Oh, we will be here till 5 o'clock, Mr. Weir. You know, if I were him, I'd just want to have a look at that overnight. Do you, or not?

MR. HENINGER: Yes, I would like to take them home.

THE COURT: I think---

MR. MOSCOVICH: How about two weeks.

THE COURT: Well, now, who else is supposed to be here?

Yes.

Alright we will take the Judge's

Mr. Williams, you would say, and I am not questioning your figures exactly, but you would say that the exhibit we just put in is as closely correct as can possibly be made?

Well, it's a summary of the transactions, as we see them.

Thank you very much, Mr. Williams.

THE COURT: Mr. Prowse?

MR. PROWSE: No questions, Your Honour.

(WITNESS STANDS DOWN)

THE COURT: Well, I am sorry---

MR. WEIR: Your Honour, could we just call

Mr. Hastings. I hate to see him go home. I realize it's---

THE COURT: Well, he doesn't live very far,

you know. He just lives two blocks from where I live.

MR. WEIR: Well, I don't think he will be

very long, Your Honour, if the Court Reporter can---

THE COURT: Oh, we will be here till 5 o'clock.

Mr. Weir. You know, if I were him, I'd just want to have a

look at that transcript. Do you, or not?

MR. WEIR: I would like to take them

MR. WEIR: John Thiessen, I think, is the only other witness, so we are only---

THE COURT: Mr. Thiessen.

MR. WEIR: Two behind.

THE COURT: There was Mr. Thompson too, Mr. Weir.

MR. WEIR: No, Mr. Thompson has been released.

THE COURT: Well, is Mr. Thiessen here? Oh, will you come back in the morning, Mr. Thiessen?

MR. THIESSEN: I have been waiting all day.

THE COURT: Pardon--- Well, it's too bad, we got behind in schedule this morning, and it's the first time we have done it in three weeks, so, I am sorry.

(HEARING ADJOURNED AT 4:38 P.M. UNTIL 10 A.M. ON JANUARY 13th, 1965)

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